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Calendar No. 907

86TH CONGRESS, 1st Session } SENATE { REPORT No. 880

FOREIGN SERVICE ACT AMENDMENTS OF 1959

SEPTEMBER 2 (legislative day, AUGUST 31), 1959.—Ordered to be printed

Mr. FULBRIGHT, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 2633]

The Committee on Foreign Relations, having had under consideration S. 443, S. 1243, S. 2232, S. 2233, and S. 1044, to amend the Foreign Service Act of 1946, as amended, and for other purposes, reports an original bill in lieu thereof and recommends that it pass.

SUMMARY DESCRIPTION

S. 2633 would make numerous changes in the administration of the Foreign Service of the United States and the Department of State. With a few exceptions, the bill consists of amendments to the Foreign Service Act of 1946, as amended. A new class structure for Foreign Service Staff officers and employees is provided. The Foreign Service retirement and disability system is liberalized in conformity with certain principles already in effect with respect to the civil service retirement system. Improvements are made in the legislation pertaining to the recruitment and training of Foreign Service officers. Functional and geographic area specialization by such officers is encouraged. An increase of $100 million ($50 million in foreign currencies) in the authorization of appropriations for the Foreign Service buildings fund, largely for office space for U.S. missions overseas, is approved.

These are the first substantial changes in the Foreign Service Act of 1946 since the amendments of 1956 were enacted. It will be recalled that the amendments of 1956 added two classes to the Foreign Service officer schedule, raised a numerical ceiling on lateral entry into the Foreign Service officer category, increased from 30 to 35 the number of years of service credit for computing retirement benefits for Foreign Service officers, broadened the authority to operate commissaries and mess services, increased medical benefits, and authorized the establishment of recreational facilities overseas.

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COMMITTEE ACTION

With a few exceptions, all of the provisions of S. 2633 are taken from the following bills:

1. S. 443, Mr. Green (by request), January 17, 1959, to amend the Foreign Service Act of 1946, as amended, and for other purposes.

2. S. 1243, Mr. Saltonstall (for himself and Mr. Mansfield), March 2, 1959, to amend the Foreign Service Act of 1946, as amended, to establish standards of foreign language proficiency for the Foreign Service of the United States, and for other purposes. S. 1243 is the same as S. 3552 of the 85th Congress (Saltonstall) on which the Committee on Foreign Relations held an executive hearing on May 27, 1958.

3. S. 2232, Mr. Fulbright (by request), February 16, 1959, to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision in the act of June 4, 1920, authorizing the free issuance of passports to seamen.

4. S. 2233, Mr. Fulbright (by request), June 28, 1959, to amend the Foreign Service Act of 1946, as amended.

5. S. 1044, Mr. Fulbright (by request), February 16, 1959, to amend the Foreign Service Buildings Act of 1926, as amended.

A public hearing on S. 1243 was held on April 16, 1959, and public hearings on the remaining bills were held on July 6 and 15, 1959. The committee marked up the bills on August 27 and 28 and on the latter day ordered favorably reported an original bill combining the five bills.

MAIN PROVISIONS OF THE BILL

A good many provisions of the bill are of a minor technical, clarifying, or perfecting nature. The other provisions make important changes or innovations in the law pertaining to the Foreign Service and the Department of State. These provisions are summarized, explained, and justified below. References to the "act" in the discussion below mean the Foreign Service Act of 1946, as amended.

1. *Section 2—New Class Structure for Foreign Service Staff Personnel.*—Section 2 of the bill would revise section 415 of the act so as to reduce the number of classes of Foreign Service staff personnel from 22 classes to 10 classes. This change in class structure complements the change in the structure of the Foreign Service officer category which was made in 1956. Classes 15 through 22 under the old staff structure have not been used for some time. A smaller number of classes has proved to be adequate in differentiating the duties and responsibilities of typical jobs carried out by staff personnel overseas. These jobs are primarily in the secretarial, technical, and custodial categories.

The salaries of the top three classes in the new staff schedule are the same as the salaries of classes 3, 4, and 5, respectively, of the Foreign Service officer salary schedule. Information as to the cost and numbers of Foreign Service staff personnel involved in this change is shown below in connection with the discussion of the temporary provisions providing for the conversion of staff employees from the old class structure to the new structure (sec. 51).

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2. *Section 2—Employment of Staff Personnel Overseas at Less Than the Rates Prescribed for Foreign Service Staff Officers and Employees.*—Section 2 of the bill would also add a new subsection (b) to section 415 of the act which would authorize the Secretary of State administratively to prescribe salaries less than those given in the statutory schedule for Foreign Service staff employees in those cases abroad where it is desirable to employ U.S. citizens locally in a foreign country who are not available or are not qualified for transfer to other posts.

Two examples may illustrate the occasion for the use of this proposed new authority. There are cases where a person living in a foreign country may possess U.S. citizenship, for instance by reason of having been born in the United States during a visit of his parents here, and yet he may in all other respects be a typical native of the foreign country. The U.S. mission may wish to employ such a person in a minor capacity and would not wish to pay him higher than the prevailing local rates for the kind of work involved merely because he happened technically to be an American citizen and entitled as such to the statutory Foreign Service staff salary. A second example concerns the frequent instance when a U.S. mission wishes to hire the wife, for instance, of a resident U.S. businessman to do clerical work in the mission. Such persons may be very useful to the mission yet would not be available for entrance into the regular Foreign Service staff category and subject to transfer from post to post. In using the proposed new authority in this latter category of cases the committee cautions against abuse of the authority by paying Americans, who would merit a salary at or near the statutory schedule of a regular Foreign Service staff officer, at unreasonable rates below the statutory schedule.

3. *Section 6—Classification of Foreign Service Officer Positions in the Department of State.*—Section 6 of the bill amends section 441 of the act relating to the classification of positions. The existing position classification distinction between the categories of Foreign Service officer and Foreign Service staff officer is removed. Secondly, the Secretary is authorized to classify positions in the Department in accordance with Foreign Service standards without regard to the Classification Act of 1949, as amended. Up to the present time the Secretary has been designating certain positions in the Department as Foreign Service positions and classifying them under the Classification Act without clear legislative authority. He has been doing so under an arrangement embodied in an exchange of letters between the House Committee on Government Operations and the Civil Service Commission (see H. Rept. No. 1673, 83d Cong.). Some 1,500 positions in the Department now have a dual designation of "Foreign Service officer position" together with a grade level established under the Classification Act. Under the new language of section 441 of the act the Secretary may designate positions, including new positions, without such a grade level under the Classification Act. Under the new arrangement no grade allocation will be necessary unless the position is to be filled by a non-Foreign Service person.

The committee wishes to take this occasion to comment on the evidence which has been accumulating for some time that the Department of State has gone too far in carrying out the recommendations of the Wriston report calling for additional positions in the Depart-

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ment of State to be designated as Foreign Service officer positions. Evidence has been brought to the attention of the committee regarding the International Educational Exchange Service (IES), the Bureau of Intelligence and Research (INR), and the Policy Planning Staff (S/P) constituting three examples of the committee's concern.

The work of the International Educational Exchange Service is painstaking and specialized. The work of the Bureau of Intelligence and Research is scholarly, specialized, and requires long familiarity with narrowly defined masses of material. The work of the Policy Planning Staff requires senior specialists, for instance officers skilled in military planning who must work closely with their opposite numbers in the Department of Defense. The characteristic of much of the work of these three bureaus in the Department of State is that long continuity of service is highly desirable. Typical assignments of Foreign Service officers to these bureaus are for 2-year periods. These periods are long enought perhaps for the Foreign Service officer to become familiar with the work but not long enough for him to make an effective contribution. Moreover, the nature of the work is frequently so different from that which a Foreign Service officer is accustomed to doing overseas that many officers dislike such assignments and fail to put forth their best effort.

The committee is by no means of the opinion that no Foreign Service officer should be assigned to the aforementioned bureaus in the Department of State—these bureaus have been given merely as examples of the problem. The committee is of the opinion, however, that too many positions in these bureaus and others like them in the Department have been designated as Foreign Service officer positions. The committee has requested by December 1, 1959, a detailed report reviewing the original designation of Foreign Service officer positions throughout the Department pursuant to the Wriston program and discussing any changes in such designations which may have occurred since. The comment of the Department is requested on the views of the committee just set forth.

4. *Section 7—Compensation for Alien Employees.*—Section 7 of the bill would revise section 444 of the act, pertaining to compensation for alien employees hired overseas, in two principal respects. First, the principle in existing law of compensating alien employees according to the rule "equal pay for equal responsibility" is being replaced by the policy of paying local employees in accordance with "prevailing wage rates and compensation practices for corresponding types of positions in the locality to the extent consistent to the public interest." The existing language has proved difficult to implement in certain countries where, for instance, women are not paid the same wages as men for the same work. Although the U.S. missions would prefer to follow nondiscriminatory wage policies in these instances, it is sometimes offensive to foreign governments and upsetting to local conditions to do so.

The second change in section 444 is the deletion of the requirement that the Board of the Foreign Service advise the Secretary on the salary schedules for overseas local (alien) employees. It has proved unnecessary and impractical to obtain the advice of the Board on such matters.

5. *Section 7—Permission for Other Government Agencies to Use Authority Available to the Department of State in Their Employment of*

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Aliens Overseas.—Section 7 of the bill would add new language to section 444 of the act which would authorize U.S. Government agencies performing functions abroad to administer local employee programs in accordance with the applicable provisions of the Foreign Service Act. The purpose of the provision is to facilitate uniform employment practices abroad by all U.S. Government agencies. The committee considered designating the Secretary of State as the single official of the Government empowered to prescribe wage scales for local employees but upon being presented with evidence that voluntary cooperation among the agencies is now working satisfactorily, the committee recommends leaving the existing practice the way it is.

6. *Section 8—Extra Pay for Courier Duty.*—Section 8 of the bill would introduce a new section 447 into the act which would permit the Secretary to establish rates of extra pay not to exceed 15 percent of basic salary for persons assigned to duty as couriers. It appears clear to the committee that courier duty is a duty analogous to the various kinds of hazardous duty in the armed services and certain civilian agencies which is compensated for by extra pay. Department of State couriers spend long hours flying as part of their duties and many have sustained injury and some have been killed in this service. The proposed maximum of 15 percent extra pay does not seem to the committee to be excessive due to the fact that hazardous duty pay in the armed services ranges from a minimum of 17 percent to a maximum of 64 percent depending upon the rank of the person and the duty involved.

7. *Section 9—Policy on Language and Other Qualifications for the Assignment of Chiefs of Mission and Foreign Service Officers in Foreign Countries.*—Section 9 of the bill would add a new section 500 to the act stating the policy that chiefs of mission and Foreign Service officers shall have to the maximum practical extent a knowledge of the language, culture, history , and institutions of the countries in which they are to serve.

Probably the only reason this policy is not now a part of the Foreign Service Act is that it was thought to be self-evident. The policy is, however, either not self-evident or else implementation of the policy has failed in a disturbing number of cases. Such failure is inexcusable on the part of the U.S. Government. The richest country in the world can afford to employ, train, and send well-qualified Foreign Service officers wherever they are needed. The importance of their work demands no less.

The committee continues to be disappointed from time to time about nominations for ambassadorial posts. There are too many nominees, career and noncareer, who are merely so-so, not bad enough to reject but not really first rate.

Whether or not the policy statement in the proposed section 500 becomes a part of the law, the Committee on Foreigh Relations intends to continue its practice of measuring nominees for chiefs of mission against the standard expressed in the new section 500 and will apply the standard with increasing particularity.

7. *Section 10(b)—Appointments of New Foreign Service Officers Directly to Class 7.*—Section 10(b) of the bill will add a new subsection (b) to section 516 of the act which would permit the appointment of Foreign Service officers directly to class 7 when, in the opinion of the Secretary, their age, experience, or other qualifications make such an

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appointment appropriate. This provision will take care of the infrequent instances where graduate students having more than the usual amount of training or experience could expect higher starting salaries than afforded by class 8 appointments if they accepted jobs in private industry or other Government agencies. Under the new section 516(b) they could be given the higher salaries of class 7. The Department of State intends to limit these appointments to candidates who (1) are at least 28 years old; (2) have a record of graduate training or employment which clearly demonstrates extra ability; (3) have a modern foreign language competency. The committee endorses these standards in the proposed regulations of the Department.

8. *Section 11(b)—Previous Government Service as a Prerequisite to Lateral Entry.*—Section 11(b) of the bill would revise section 517 of the act by removing the existing ceiling on lateral appointments of persons to the Foreign Service officer category. Lateral entry refers to the appointment of persons at an intermediate class in the Foreign Service officer category, depending on the age and experience of the appointee. Now that the so-called Wriston personnel integration program has been completed, the number of lateral entrants should depend simply upon the needs of the Service as determined by the Secretary.

The number of persons entering the Foreign Service officer category laterally will not change from current rates in all probability because the committee bill retains the requirement of 3 or 4 years, depending on age, of previous service in a Government agency as a prerequisite to lateral entry. The committee wishes to make sure that additional personnel or specialists needed urgently in the Service can be employed as the needs of the Service require, but it is convinced that the best way to bring such persons into the Service is by giving Foreign Service Reserve officer appointments to those coming directly from private life or by permitting the lateral entry directly to the Foreign Service officer category of those having previous Government experience. Thus, under either of these routes the Foreign Service will be able to maintain its career nonpartisan features and the Secretary of State will not be troubled by outside pressure to insert inexperienced persons into the Foreign Service officer group.

9. *Section 12(b)—Reappointment of an Officer Who Has Left the Foreign Service.*—Section 12(b) of the bill would amend section 520(a) of the act by removing the present requirement that Foreign Service officers who resign and later ask reinstatement must have served continuously in the Government between the time of leaving the Foreign Service and the time of reappointment to the Service. It sometimes happens that an officer is obliged to resign from the Service through no fault of his own. If for instance his wife should become ill and unable to accompany him on foreign assignments, the Committee believes that the President should have authority to reappoint such officers to the Service when they again become able to serve. The rationale behind the requirement of previous Government service, discussed immediately above in connection with lateral entry, would seem to be inapplicable to cases arising under section 520(a) of the act because in those cases the persons involved have already been Foreign Service officers and have fulfilled all of the requirements for such appointment.

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10. *Section 14—Limited and Probationary Appointments for Staff Officers.*—Section 14 of the bill would revise section 531 of the act so as to clarify the authority of the Secretary of State to make temporary, limited, and other types of appointments of staff officers and employees as the needs of the Service require. The new section also makes it clear that the Secretary may terminate at any time and without regard to the provisions of any other law staff officers appointed for temporary or limited service or who occupy probationary status.

The customary probationary period for staff officers is 2 years, and the Department will not specify longer periods. The usual reason for termination of temporary, limited, or probationary employees is that there is not sufficient work for such employees to do or that the specific work for which they were employed has ended. The Secretary's discretion is, however, not limited to such reasons. In the case of persons on probationary status, he may terminate their employment if their work is not satisfactory or if for various reasons they appear not to be suitable for foreign assignments. If, however, the Department's reason for terminating a staff officer on temporary, limited, or probationary appointment is the person's supposed misconduct, that is, conduct reflecting adversely on the integrity or character of the person, then the new version of section 531 requires that such person be given a hearing in accordance with the provisions of section 637 of the act.

11. *Section 16(a)—Elimination of Salary Differential for a Foreign Service Officer Who Is Assigned to a Position in Washington Designated as a "Foreign Service Officer Position."*—Section 16(a) of the bill adds a new sentence to section 571 of the act which would eliminate any salary differential being paid to a Foreign Service officer who occupies a position in the Department which is also designated as a "Foreign Service officer position" and which carries a higher salary than the officer's Foreign Service salary. The former policy, allowing the Foreign Service officer to collect the difference, is inconsistent with the Foreign Service theory of appointment to a class and not to a particular job. Authority will continue to pay such a differential if an officer or employee of the Service is assigned to a position in the Department that is not so designated. Thus the salary differential—the difference between the officer's salary and the salary of the position which he occupies—would continue to be paid in those cases in which the position is in a Government agency other than the Department of State or a position not also designated as a "Foreign Service officer position" within the Department of State.

12. *Section 16(c)—Housing Allowance for Officers on Assignment in Washington.*—Section 16(c) of the bill would add a new section 571(e) to the act granting a differential applied to basic salaries of 8 to 13 percent, according to the number of dependents, in the case of Foreign Service officers assigned to duty in the United States between assignments abroad and Foreign Service officers of class 7 or 8 assigned to duty here prior to duty abroad.

This new provision is designed to give the same kind of financial assistance to Foreign Service officers assigned to Washington as has long been afforded to military personnel in the same circumstances. Foreign Service personnel coming to Washington for a relatively short time have many additional expenses, largely relating to housing, than

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employees who live here all the time. Foreign Service officers are now receiving a transfer allowance and hotel expenses while locating more permanent housing, but these allowances meet only a small part of their extra expenses. The proposed additional allowance is fixed at an amount which may be expected to meet about one-half of typical housing costs while on duty in the United States.

13. *Section 18—Foreign Language Knowledge a Prerequisite to Assignment.*—Section 18 of the bill would introduce a new section 578 in the act which would require the Secretary to designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language of the country. After a 5-year period to allow for increased training in foreign languages, each position so designated would be filled only by a qualified person. The Secretary would be able to make exceptions to this requirement for individuals or when special or emergency conditions existed.

One of the most common and justified criticisms of the Foreign Service today is the low level of language competency throughout the Service. The facts are familiar that 70 percent of new Foreign Service officers come into the Service without a knowledge of any foreign language. Fifty percent of officers already in the Service lack a knowledge of any foreign language. The figure on deficiencies in the more difficult languages are not available but the committee has no reason to think the figures are any better with respect to them.

Language competence in the Foreign Service is primarily a function of money and people. With adequate appropriations and adequate numbers of intelligent officers, any desired level of language competence can be obtained. The committee intends that foreign language competence be raised substantially—not for its own sake—but based on actual needs in U.S. missions overseas. The committee expects that the designation of Foreign Service officer positions abroad requiring language competence shall be based largely on the recommendations of the mission chief without regard to current budgetary targets. The Department of State estimates that the implementation of the proposed new section 578 will cost about $250,000 per year over a 5-year period. This would seem to be a small price when measured against the urgent need.

14. *Section 19—In-Class Promotions of Foreign Service Officers.*—Section 19 of the bill would amend section 625 of the act so as to eliminate a possible conflict between the policy of that section, relating to in-class promotions of Foreign Service officers, and the policy of the Government Employees' Incentive Awards Act (title III, Public Law 763, 83d Cong.), authorizing cash awards for superior service. The committee believes that while the cash awards program is excellent the special needs of the Foreign Service make it appropriate to award within-class increases for certain kinds of excellence such as the learning of unusual foreign languages on an officer's own initiative.

15. *Section 20—Relationship Between Promotions and Functional and Geographic Area Specialization.*—Section 20 of the bill would add a new section 626 to the act expressing the policy that more functional and geographic area specialization is needed in the Foreign Service and prohibiting such specialization from prejudicing promotions of officers up through class 1 in the Service.

The traditional assignment policy in the Foreign Service has been based on the premise that an officer is not fully qualified to be a

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mission chief unless he has had service in each of four or five main geographic areas in the world. It may be as a result of such a policy that the Government is short of topnotch specialists in some of these great geographic areas.

Existing assignment policy with regard to functional specialization appears to result in an officer having 2 or 3 years' experience in six or eight different types of work. The committee is concerned lest this policy result in developing an officer who is a jack of all trades and master of none.

With respect to geographic specialization the committee would like to see a situation in which incoming officers would be assured that most of their careers would be devoted to one of the larger geographic areas. They could then concentrate on the languages, culture, and problems of the area and develop outstanding excellence. For example, after an appropriate period of brief orientation assignments, an officer might specialize in Arabic and in the problems of the great area lying between Morocco and Pakistan and spend the greater part of his career in assignments which would take him alternately to that area, to Washington, to some third area country having important ties with that area.

With regard to functional specialization the committee believes that it would be better for a Foreign Service officer to concentrate on one field of work—say economic matters or administration—for a substantial part of his career until he reaches the level of, say deputy chief of mission, at which point he would have the choice of finishing his career as a senior specialist or taking on broader executive responsibilities and look forward to promotion to the levels of career minister or career ambassador.

The committee expects that the precepts given to promotion panels and the instructions given to assignment panels will be revised in accordance with the policy laid down in the new section 626.

16. *Section 24—Accelerated Selection-Out Benefits.*—Section 24 of the bill amends section 634(b)(1) of the act to authorize the Secretary in special instances to combine the installments of severance payment to which an officer is entitled when he is retired early from the Foreign Service in accordance with section 633 of the act. The usual thing would be for the selection-out benefits to be paid in three annual installments but the change in section 634(b)(1) will permit the Secretary in his discretion to accelerate the payments where the officer has an unusual financial need. These payments will be made from the Foreign Service retirement and disability fund.

17. *Section 27—Consolidated Separation for Cause Provision.*—Section 27 of the bill combines in a revision of section 637(a) of the act several provisions of the act relating to separation for unsatisfactory performance of duty, misconduct and malfeasance. The Secretary is given complete discretion to separate Foreign Service officers, Foreign Service Reserve officers, and Foreign Service staff personnel for such "cause as will promote the efficiency of the Service." This phrase, which is applicable to the Civil Service, is taken from the Lloyd-La Follette Act of 1912. Although the Secretary has complete discretion in defining causes for dismissal which will promote the efficiency of the Service, the revised section requires that officers separated under it shall be given a hearing by the Board of the Foreign Service and requires the establishment of such cause at such hearing. An

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officer may waive his right to a hearing. Foreign Service officers of class 8 or other officers in a probationary status or serving under limited or temporary appointments have a right to a hearing only in cases where the reason for their proposed separation from the Service is misconduct. Section 637(a) as it is amended deals with separations on a case-by-case basis. The language of the section could not be the basis for a general reduction in force.

18. *Section 27—Extension of Deferred Annuity Rights to Persons Separated From the Service for Cause.*—Section 27 of the bill would amend section 637(b) of the act to provide that an officer separated from the Service for cause may receive a refund of his contributions to the Foreign Service retirement and disability fund, with interest, or he may elect to receive a deferred annuity payable when he reaches the age of 60. The committee approved this change but inserted a clause providing that a deferred annuity would not be available in cases "where the Secretary determines that separation was based in whole or in part on the ground of disloyalty to the United States."

Under the present law certain officers separated for unsatisfactory performance of duty may receive an immediate limited annuity. Officers separated for misconduct are entitled merely to a refund of their contributions to the fund. The committee agrees (except as to disloyalty cases) with the view of the Department of State that, even though an officer may be separated for cause, after he has served at least 5 years he should not be denied the annuity benefit which he has earned by reason of his contributions and his period of satisfactory service.

19. *Section 28—Termination of Service of Reserve Officers and Staff Officers with Limited Appointments.*—Section 28 of the bill would insert a new section 638 in the act which would permit the Secretary notwithstanding any other law to terminate at any time the service of any Reserve officer or staff officer serving under a limited appointment. This is the same principle as is contained in revised section 531 of the act discussed above under section 14 of the bill. The committee inserted a provision regarding separations for misconduct in the proposed new section 638 similar to that contained in revised section 531.

A special problem under the proposed new section 638 arises by reason of the concern of a certain group of 45 officers under limited Reserve appointments that the new authority may be used to terminate their employment. They accepted Foreign Service Reserve officer status at the encouragement of the Department of State. The committee inserted, with the concurrence of the Department, a provision which will insure that these officers will be retired when their limited appointments run out but not before.

20. *Section 30—Longevity Increases for Foreign Service Staff Employees.*—Section 30 of the bill would add a new subsection 642(b) to the act which would authorize the Secretary to establish a system of longevity increases for staff personnel. The Classification Act included the principle of longevity increases some years ago.

Work performed by staff personnel is highly essential but its nature is such as to contain inherent limitations on opportunities for promotion in some categories of work. In addition the staff group now includes a substantial number of older employees who were unable to quality for various reasons under the Wriston program for lateral entry

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into the Foreign Service officer category. There is therefore something of a morale problem within this segment of the Foreign Service staff group which can be alleviated by the enactment of the proposed new subsection 642(b).

Longevity increases will not be automatically awarded; they will be given in recognition of both longevity and performance. The longevity periods will be established by the Secretary by regulation.

21. *Section 31—Orientation and Language Training for Wives of U.S. Government Employees in Anticipation of Assignment Overseas.*—Section 31 of the bill would add a new sentence to section 701 of the act giving the Secretary authority to provide orientation and language training to wives of Government employees in anticipation of assignment of such employees abroad. The Department of State has been giving such training of a space-available basis for some time but the practice ought to be specifically authorized by law. The Department asked for authority to train "dependents" of employees but the committee limited the authority to "spouses," and inserted the phrase "to the extent that space is available" in order to keep such training to reasonable numbers.

22. *Section 32(b)—Alien Language Teachers for the Foreign Service Institute.*—Section 32(b) of the bill would add a new subsection 704(e) to the act permitting the Secretary to employ aliens for the Foreign Service Institute either by appointment to the staff on a full or part-time basis or by contract for services. This proposed authority would apply both in the United States and abroad because the Foreign Service Institute operates several language training schools overseas. The new authority is essential because, of course, it is sometimes difficult to find American citizens sufficiently well qualified to provide instruction in esoteric languages and other specialized subjects taught at the Foreign Service Institute. The authority to employ by contract is essential since some language teachers are available in the United States for only short periods of time and because some Institute courses are given periodically.

23. *Section 32(b)—Monetary Incentives for Proficiency in Esoteric Languages.*—Section 32(b) of the bill also would add a new subsection 704(f) to the act which would authorize the Secretary to provide special monetary incentives to encourage the acquisition or retention of proficiency in esoteric foreign languages or other special abilities needed in the Service. The committee believes this new authority is necessary but desires that it be employed very cautiously. The term "esoteric foreign languages" certainly does not include such languages as French, German, Spanish and Italian which many Americans have an opportunity to learn. In the administration of a language incentives program language proficiency must be tested frequently and standards of competency must be kept high.

The "special abilities" which are to be encouraged are not the traditional skills expected of Foreign Service officers nor the ordinary academic disciplines which reasonably well educated officers bring with them into the Service.

24. *Section 33(b)—Transfer of Foreign Service Staff Officers to the Foreign Service Retirement System.*—Section 33(b) of the bill adds a new subsection 803(c) to the act providing for mandatory participation in the Foreign Service retirement and disability system of certain staff officers and employees. The proposed subsection 803(c)(1) would

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provide for the automatic transfer of Foreign Service staff officers with at least 10 years service from the civil service retirement system to the Foreign Service retirement system. Their contributions to the civil service retirement fund would be automatically transferred and they would be required to make no additional contribution and they would get no refund as a result of the shift from one retirement system to the other.

The new subsection 803(c)(1) recognizes the fact that Foreign Service staff personnel serve overseas under the same conditions as Foreign Service officers who, under the Foreign Service retirement and disability system, are required to retire at age 60 (rather than age 70 as under the civil service system) because of the rigors of some foreign climates and the burdens of moving periodically to new working and living situations.

The new subsection 803(c)(2) provides for retirement on a gradual scheduled basis over a 5-year period of staff personnel who are above the mandatory retirement age at the time they become participants in the system. This new early retirement provision will not go into effect until 1 year after the other provisions of the bill go into effect. Subsection 803(c)(2) would involuntarily retire a group of some 400 older staff officers who would not have been required to retire for periods up to 10 years longer if they were permitted to stay under the Civil Service retirement system. The committee understands that most of the persons in this group welcome the new provisions but there are some who may have failed to make adequate financial provisions for such involuntary early retirement and who are therefore adversely affected.

These 400 older staff officers constitute, in the view of the Department, a "hump problem" analogous in many ways to that dealt with recently by the Congress in legislation pertaining to the Navy. The Department of State believes that it would be in the interest of the Service to accelerate the retirement of these 400 staff officers, most of whom have been unable to qualify for lateral appointment as Foreign Service officers because they were too old.

Because it is in the interest of the Government that retirement of these persons be accelerated the committee decided that their financial problems should be eased by the Government. The committee inserted a provision in the bill which would give to such involuntary retirees the same kind of financial aid as is given to Foreign Service officers who are selected out. Involuntary retirees would receive, in addition to their retirement benefits, one-twelfth of a year's salary for each year's service not exceeding a total of 1 year's salary. This amount would be payable in a lump sum at the time of retirement. The Department of State estimates that this temporary provision, over the 5 years that it will operate, will cost approximately $676,000, which will be paid out of the Foreign Service retirement and disability fund, no appropriation being required.

It appears possible that some members of this group of involuntary retirees may not have knowledge of this possibility. The committee urges the Department to disseminate information about this matter widely so that persons affected can take appropriate steps to minimize any adverse financial consequences which can be foreseen.

25. *Section 35—Increase From 5 to 6½ Percent in Foreign Service Personnel Contributions to the Retirement Fund and Matching Contributions by the Government to the Fund.*—Section 35 of the bill would

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amend section 811 of the act to place the financing of the Foreign Service retirement and disability fund on the same basis as the civil service retirement system. It would increase the rate of contribution to the Foreign Service retirement and disability fund from 5 to 6½ percent of basic salary. It would also provide a matching contribution to the fund from the appropriation for Foreign Service salaries.

The cost of the proposed matching contribution to the fund will be $2.5 million per year. The Department of State has been getting annual appropriations for the fund averaging $1.5 million for the last 4 years. There were no payments to the fund out of appropriations for several years prior to that. The fund's potential liabilities therefore exceed its assets and the proposed $2.5 million annual matching contribution will enable the fund to restore financial balance.

26. *Section 36(a)—Benefits for Survivors of Foreign Service Officers.*—Section 36(a) of the bill would revise sections 821(b) and 821(c) of the act to provide benefits for surviving spouses and children of participants in the Foreign Service retirement system like the benefits provided for survivors of participants in the civil service retirement system.

The proposed changes in section 821 will increase survivor benefits at a reduced cost to the participant. The proposed formula for computing a joint and survivorship annuity under which the retiring officer elects to receive a reduced annuity and, upon death, an annuity for a wife or a husband, and the proposed formula for computing annuities for surviving dependent children are similar to those now in the civil service retirement system. The following example from pages 234–235 of the hearings will illustrate the advantages to the participant of the proposed formula over the existing formula.

Average salary for highest 5 years of service	$10,000
Annuity (2 percent times 30 years of service)	6,000

Existing		*Proposed*	
Maximum survivor annuity	$2,500	Maximum survivor annuity	$3,000
Cost to officer	1,250	Cost to officer (2½ percent of $2,400 equals $60; 10 percent of $3,600 equals $360)	420
Officer's reduced annuity	4,750	Officer's reduced annuity	5,580
Maximum surviving annuity payable to a dependent child	0	Maximum surviving annuity payable to a dependent child:	
		With surviving parent	600
		With no surviving parent	720

The change in section 821(b) also eliminates a so-called gambling provision from existing law which now permits the participants to accept a further reduction of 5 percent of the spouse's annuity in order to provide for restoration of the full annuity if the spouse predeceases the participant. This gambling provision is not based on sound actuarial principles.

Benefits for surviving children of participants in the Foreign Service retirement and disability system are being provided for the first time in this bill. They have long been available under the civil service retirement system.

27. *Section 37(a)—Return to Duty of Person Recovered From Disability.*—Section 37(a) of the bill would amend section 831(b) of the act relating to disability annuitants. Three principle changes are made: First, the provisions on annual examinations of disability an-

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nuitants are made more strict; second, new authority is given to permit the return to active duty in the Service of a disability annuitant who recovers sufficiently; third, the Secretary is given authority to establish by regulation a board of physicians who will advise him with regard to disability annuitants.

28. *Section 39—The Right to a Deferred Annuity of Person Who Voluntarily Leaves the Foreign Service After 5 Years.*—Section 39 of the bill would add a new section 834 to the act which will permit a participant in the Foreign Service retirement system, upon voluntary separation from the Service after 5 years, to choose either to have his contributions to the fund returned to him with interest or to leave his contribution in the fund and receive a deferred annuity, based on his years of service and salary at the time of his separation, commencing at age 60. Similar deferred annuities are provided under the civil service retirement system.

29. *Section 46—Amount of Permissible Earnings by Foreign Service Annuitants Who Are Reemployed by the Federal Government.*—Section 46 of the bill would add a new section 872 to the act dealing with the question of the limit on earnings of an annuitant if he returns to a Government job. Under present law a Foreign Service retiree who is reemployed in the Federal Government must forfeit his annuity during such reemployment. Under the civil service retirement system, a retired employee may be reemployed by the Government and continue to receive his full annuity, plus the difference, if any, between the annuity and the salary of the position to which he is appointed.

Unfortunately, in the view of the committee, the provisions of the Civil Service Retirement Act place the Federal Government in an unfavorable position to compete with private industry in obtaining the services of retired Federal personnel whose reemployment would benefit the Government. This is because such persons when hired in private industry may keep their annuities and receive the full amount of the salary in private industry.

The committee recommends the adoption of the new section 872 which would entitle a retired Foreign Service employee to receive the salary of a position to which he may be appointed plus so much of his annuity which, when combined with such salary, does not exceed the highest salary which such employee was entitled to receive when he retired from the Foreign Service. The committee believes that this provision will be more fair to retired personnel and will be in the public interest.

30. *Section 48—Clarification of Authority to Lend Foreign Service Employees Overseas Household Furniture.*—Section 48 of the bill would amend section 812 of the act so as to make it clear that the Secretary of State may lend furniture, such as chairs and tables as distinguished from equipment such as refrigerators, to Foreign Service employees overseas for use in personally owned or leased residences. The purpose of this provision, thus amended, is to save shipping costs. Certain oversea missions have established pools of furniture which can be loaned to employees, thus saving the cost of shipping such furniture from the United States or from some other distant Foreign Service post.

31. *Section 49—Clarification of Authority To Ship Foreign Service Employees Vehicles.*—Section 49 of the bill would amend section 913

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of the act so as to substitute "motor vehicles or replacement thereof" for the word "automobiles." The Comptroller General has ruled that "automobiles" does not mean motorcycles or motor scooters. Since it would be cheaper for the Government to transport motorcycles and motor scooters than automobiles, the committee believes that it would be advantageous to broaden the scope of section 913. The committee expects the Department in administering section 913 to establish by regulation some reasonable limit on the number of motor vehicles which may be transported for Foreign Service personnel within appropriate periods of time.

The committee urges the Department of State to give further study to the matter of transportation of vehicles overseas for the official use of U.S. missions. It suggests, for example, that greater use be made of motor vehicles built in the country of the mission since road or other conditions are frequently such as to make locally built cars more appropriate and, certainly, less expensive than American cars, counting the transportation costs from the United States. In circumstances warranting transportation of American cars overseas for official use, the committee believes that small American cars are just as useful and less offensive to foreign sensibilities than the larger American cars.

32. *Section 51—Conversion Table From the Present Foreign Service Staff Class and Salary Schedule to the Schedule Established by Section 2 of the Bill.*—Section 51 of the bill contains temporary provisions providing for an orderly and equitable transfer of Foreign Service staff officers and employees from their present classes and salaries to the new classes and salaries prescribed by the revised section 415 of the act. Under the conversion scheme no Foreign Service staff person will have a reduced salary. The numbers of persons involved in this transfer in each class and the average salary adjustment in the various classes are shown in the following table taken from page 209 of the hearings:

Present FSS class	Number on rolls Dec. 31, 1958	Conversion to new schedule		Average per annum salary adjustment [1]	Total cost
		Class	Number		
FSS-1	30	FSS-1	30	$155	$4,666
FSS-2	24	FSS-1	15	204	3,060
		FSS-2	9	67	605
FSS-3	33	FSS-2	33	120	3,970
FSS-4	35	FSS-2	17	222	3,770
		FSS-3	18	132	2,380
FSS-5	50	FSS-3	50	147	7,360
FSS-6	69	FSS-3	19	169	3,210
		FSS-4	50	122	6,115
FSS-7	72	FSS-4	72	47	3,415
FSS-8	164	FSS-5	164	35	5,705
FSS-9	323	FSS-5	37	100	3,700
		FSS-6	286	95	27,080
FSS-10	538	FSS-6	171	136	23,220
		FSS-7	367	80	29,370
FSS-11	922	FSS-7	922	18	16,740
FSS-12	938	FSS-8	938	30	28,580
FSS-13	445	FSS-9	445	28	12,355
FSS-14	1	FSS-10	1	15	15
Total	3,644		3,644	51	186,660

[1] The average salary adjustment has been rounded off to the nearest dollar. Consequently multiplying the average per annum adjustment by the number of individuals does not exactly equal the total cost which has been computed on the basis of actual salary adjustments.

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33. *Section 52—Authority to use Taxicabs in Lieu of Government Vehicles in Certain Cases.* Section 52 of the bill would amend section 11 of Public Law 885, 84th Congress (70 Stat. 890) by making it possible for the chief of a diplomatic mission to approve the use of taxicabs, in addition to Government-owned vehicles, for the transportation of Government employees from their residence to the office and return when public transportation facilities other than taxicabs are unsafe or not available. The committee understands that the use of taxicabs will be authorized typically in those cases where the use of Government-owned vehicles necessitates the use of chauffeurs and makes this form of transportation more costly than the use of taxicabs.

34. *Section 53—Exclusion from Gross Income for Tax Purposes of Disability Annuity Payments.* Section 53 of the bill would amend section 104(a) of the Internal Revenue Code of 1954 to exempt disability annuities from Federal income tax. This change is consistent with provisions of the Internal Revenue Code relating to disabilities annuities payable to other Government employees by the Bureau of Employees Compensation. The change is favored by the Treasury.

35. *Section 54—Elimination of Free Official Services and Passports for American Vessels and Seamen Respectively.* Section 54 of the bill would amend section 12 of the act of June 26, 1884 (22 U.S.C. 1186) which now prohibits the charging of fees by consular officers for official services to American vessels and seamen. The Department will establish a reasonable schedule of fees for such services, and give reasonable notice to the parties affected, but it will not make a charge for services required by law or services which are primarily in the public interest.

Section 54 also amends section 1 of chapter 223 of the act of June 4, 1920 (22 U.S.C. 214) by eliminating free passports to American seamen. No objection was registered with the committee to this change and the original reason for the provision has long since passed.

36. *Section 55.—Increase in the Authorization of Appropriations for the Foreign Buildings Program of the Department of State.*—Section 55 of the bill would add a new subsection (c) to section 4 of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 295) which would increase by $100 million (of which $50 million represents foreign currencies) appropriations authorized for the purpose of erecting office buildings and other buildings needed by U.S. missions overseas.

The Department of State presented to the committee a detailed plan for a 5-year building program which was set forth beginning on page 125 of the hearings on S. 1044. Some members of the committee have seen the architectural plans and models for many of the structures which are to be built pursuant to this 5-year plan. The committee commends the Department for the excellence of these plans.

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ESTIMATED COST OF FOREIGN SERVICE ACT AMENDMENTS OF 1959

Section number of bill and subject matter	*First Year Cost (Appropriations)*
Sec. 2: Conversion to the proposed 10 class FSS schedule (sec. 415, Foreign Service Act of 1946, as amended) The estimated cost is based on salary adjustments of Foreign Service staff employees of the Department of State, who are paid in accordance with section 415 of the Foreign Service Act of 1946, as amended.	$186,660
Sec. 8: Hazardous duty pay for diplomatic couriers (sec. 447, Foreign Service Act of 1946, as amended) The estimated cost is based on an average 10 percent salary adjustment for 58 of the 65 couriers on the Department's rolls as of December 31, 1958.	29,963
Sec. 16: Housing allowance for Foreign Service personnel in Washington (sec. 571(e) of Foreign Service Act of 1946, as amended) Approximately 1,890 officers and employees would be covered by the proposed provision. Of these, there would be approximately 460 with no dependents, receiving an average differential of $621; 820 with 1 to 3 dependents, receiving an average differential of $854; and 315 with 4 or more dependents, receiving $1,009.	1,300,000
Sec. 18: Improving the Department's language training facilities (sec. 578, Foreign Service Act of 1946, as amended) A 5-year language training program designed to meet the minimum staffing needs for language officers at all posts (where appropriate) will require an annual estimated increase in language training costs.	251,331
Sec. 30: In-class promotion of Foreign Service staff officers and employees (sec. 642, Foreign Service Act of 1946, as amended) It is estimated that 1 percent of FSS employees (36) would receive in-class promotions and 1.9 percent (70) would receive longevity increases. The estimated cost of $21,730 was computed by multiplying 106 times $205, the average within class increment.	21,730
Sec. 32: Language incentives (sec. 704, Foreign Service Act of 1946, amended) Special monetary or other incentives for acquiring or retaining proficiency in esoteric foreign languages or special abilities needed in the Service.	156,675
Sec. 35: Matching contribution by Government of 6½ percent of salaries, to the Foreign Service Retirement and Disability System (Sec. 811 of FSA46, as amended)	2,500,000
	Cost to Foreign Service Retirement and Disability Fund (No appropriation required)
Sec. 33: Early retirement of FSS personnel (Sec. 803, Foreign Service Act of 1946, as amended) Lump sum payments to FSS personnel retired early under mandatory retirement provisions. Estimated 5-year cost:	$676,000
Sec. 43: Recomputation of annuities of former participants (Sec. 855, Foreign Service Act of 1946, as amended). First year cost Based on an analysis of officers on the retired rolls at the beginning of fiscal year 1958, the cost of the provision which would credit officers now on the retired rolls with up to 35 years (instead of 30 years) service credit would be approximately $190,000 during the first year. Thereafter the annual cost would decrease and eventually disappear with the death of such officers.	190,000
	Cost of Foreign Service Buildings Act Amendment (Appropriation)
Sec. 55: Amendment to the Foreign Service Buildings Act of 1926, as amended It is estimated that the cost of the conduct of the foreign buildings program for the 5-year period from 1961 through 1965, inclusive, will be $100 million. ($50,000,000 of this amount represents foreign currencies.)	$100,000,000

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CONCLUSION

The changes in the Foreign Service Act described above and the increase in the Foreign Service buildings authorization contained in S. 2633 will, with wise administration, facilitate the achievement of the objective of the Foreign Service Act: the highest quality representation of U.S. interests abroad. The Committee on Foreign Relations recommends that the Senate approve S. 2633.

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CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Foreign Service Act of 1946, as Amended

Text of Public Law 724, 79th Cong. [H.R. 6967], 60 Stat 999, approved August 13, 1946; as amended by P.L. 73, 81st Cong. [S. 1704], 63 Stat. 111, May 26, 1949; P.L. 160, 81st Cong. [H.R. 5100], 63 Stat. 407, July 6, 1949; P.L. 759, 83d Cong. [H.R. 9910], 68 Stat. 1051, August 31, 1954; P.L. 22, 84th Cong. [H.R. 4941], 69 Stat. 24 April 5, 1955; P.L. 250, 84th Cong. [S. 2237], 69 Stat. 536, August 5, 1955; P.L. 726, 84th Cong. [H.R. 11356], 70 Stat. 555, July 18, 1956; P.L. 828, 84th Cong. [S. 3481], 70 Stat. 704, July 28, 1956; P. L. 85–462 [S. 734], 72 Stat. 203, June 20, 1958; and P.L. 85–477 [H.R. 12181], 72 Stat. 261, June 30, 1958.

AN ACT To improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, OBJECTIVES, AND DEFINITIONS

PART A—SHORT TITLE

SEC. 101. Titles I to X, inclusive, of this Act may be cited as the "Foreign Service Act of 1946".

PART B—OBJECTIVES

SEC. 111. The Congress hereby declares that the objectives of this Act are to develop and strengthen the Foreign Service of the United States so as—

(1) to enable the Foreign Service effectively to serve abroad the interests of the United States;

(2) to insure that the officers and employees of the Foreign Service are broadly representative of the American people and are aware of and fully informed in respect to current trends in American life;

(3) to enable the Foreign Service adequately to fulfill the functions devolving on it by reason of the transfer to the Department of State of functions heretofore performed by other Government agencies;

(4) to provide improvements in the recruitment and training of the personnel of the Foreign Service;

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(5) to provide that promotions leading to positions of authority and responsibility shall be on the basis of merit and to insure the selection on an impartial basis of outstanding persons for such positions;

(6) to provide for the temporary appointment or assignment to the Foreign Service of representative and outstanding citizens of the United States possessing special skills and abilities;

(7) to provide salaries, allowances, and benefits that will permit the Foreign Service to draw its personnel from all walks of American life and to appoint persons to the highest positions in the Service solely on the basis of their demonstrated ability;

(8) to provide a flexible and comprehensive framework for the direction of the Foreign Service in accordance with modern practices in public administration; and

(9) to codify into one Act all provisions of law relating to the administration of the Foreign Service.

PART C—DEFINITIONS

SEC. 121. When used in this Act, the term—

(1) "Service" means the Foreign Service of the United States;

(2) "Secretary" means the Secretary of State;

(3) "Department" means the Department of State;

(4) "Government agency" means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States;

(5) "Government" means the Government of the United States of America;

(6) "Continental United States" means the States and the District of Columbia;

(7) "Abroad" means all areas not included in the continental United States as defined in paragraph (6) of this section;

(8) "Principal officer" means the officer in charge of an embassy, legation, or other diplomatic mission or of a consulate general, consulate, or vice consulate of the United States; and

(9) "Chief of mission" means a principal officer appointed by the President, by and with the advice and consent of the Senate, to be in charge of an embassy or legation or other diplomatic mission of the United States, or any person assigned under the terms of this Act to be minister resident, chargé d'affaires, commissioner, or diplomatic agent.

TITLE II—GOVERNING BODIES FOR THE DIRECTION OF THE SERVICE

PART A—OFFICERS

DIRECTOR GENERAL

SEC. 201. The Service shall be administered by a Director General of the Foreign Service, hereinafter referred to as the Director General, who shall be appointed by the Secretary from among Foreign Service officers in the class of career minister or in class 1. Under the

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general supervision of the Secretary and the Assistant Secretary of State in charge of the administration of the Department, the Director General shall, in addition to administering the Service and performing the duties specifically vested in him by this or any other Act, coordinate the activities of the Service with the needs of the Department and of other Government agencies and direct the performance by officers and employees of the Service of the duties imposed on them by the terms of any law or by any order or regulation issued pursuant to law or by any international agreement to which the United States is a party.

SEC. 202. [Repealed by P.L. 73, 81st Cong. (63 Stat. 111; 22 U.S.C. 811a).]

PART B—BOARDS

BOARD OF THE FOREIGN SERVICE

SEC. 211. (a) The Board of the Foreign Service shall be composed of the Assistant Secretary of State in charge of the administration of the Department, who shall be chairman; two other Assistant Secretaries of State, designated by the Secretary to serve on the Board; the Director General; and one representative each, occupying positions with comparable responsibilities, from the Departments of Agriculture, Commerce, and Labor, designated, respectively, by the heads of such departments. The Secretary may request the head of any other Government department to designate a representative, occupying a position with comparable responsibilities, to attend meetings of the Board whenever matters affecting the interest of such department are under consideration.

(b) The Board of the Foreign Service shall make recommendations to the Secretary concerning the functions of the Service; the policies and procedures to govern the selection, assignment, rating, and promotion of Foreign Service officers; and the policies and procedures to govern the administration and personnel management of the Service; and shall perform such other duties as are vested in it by other sections of this Act or by the terms of any other Act.

THE BOARD OF EXAMINERS FOR THE FOREIGN SERVICE

SEC. 212. (a) The Board of Examiners for the Foreign Service, shall, in accordance with regulations prescribed by the Secretary and under the general supervision of the Board of the Foreign Service, provide for and supervise the conduct of such examinations as may be given to candidates for appointment as Foreign Service officers in accordance with the provisions of sections 516 and 517 or to any other person to whom an examination for admission to the Service shall be given in accordance with the provisions of this or any other Act or any regulations issued pursuant thereto, and provide for such procedures as may be necessary to determine the loyalty of such persons to the United States and their attachment to the principles of the Constitution.

(b) The membership of the Board of Examiners for the Foreign Service, not more than half of which shall consist of Foreign Service officers, shall be constituted in accordance with regulations prescribed by the Secretary.

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TITLE III—DUTIES

PART A—GENERAL DUTIES

COMPLIANCE WITH TERMS OF STATUTES, INTERNATIONAL AGREEMENTS, AND EXECUTIVE ORDERS

SEC. 301. Officers and employees of the Service shall, under the direction of the Secretary, represent abroad the interests of the United States and shall perform the duties and comply with the obligations resulting from the nature of their appointments or assignments or imposed on them by the terms of any law or by any order or regulation issued pursuant to law or by any international agreement to which the United States is a party.

DUTIES FOR WHICH REGULATIONS MAY BE PRESCRIBED

SEC. 302. The Secretary shall, except in an instance where the authority is specifically vested in the President, have authority to prescribe regulations not inconsistent with the Constitution and the laws of the United States in relation to the duties, functions, and obligations of officers and employees of the Service and the administration of the Service.

DELEGATION OF AUTHORITY TO PRESCRIBE REGULATIONS

SEC. 303. In cases where authority to prescribe regulations relating to the Service or the duties and obligations of officers and employees of the Service is specifically vested in the President by the terms of this or any other Act, the President may, nevertheless, authorize the Secretary to prescribe such regulations.

PART B—SERVICES FOR GOVERNMENT AGENCIES AND OTHER ESTABLISHMENTS OF THE GOVERNMENT

SEC. 311. The officers and employees of the Service shall, under such regulations as the President may prescribe, perform duties and functions in behalf of any Government agency or any other establishment of the Government requiring their services, including those in the legislative and judicial branches, but the absence of such regulations shall not preclude officers and employees of the Service from acting for and on behalf of any such Government agency or establishment whenever it shall, through the Department, request their services.

TITLE IV—CATEGORIES AND SALARIES OF PERSONNEL

PART A—CATEGORIES OF PERSONNEL

SEC. 401. The personnel of the Service shall consist of the following categories of officers and employees:

(1) Chiefs of missions, who shall be appointed or assigned in accordance with the provisions of section 501;

(2) Foreign Service officers, who shall be appointed in accordance with section 511, including those serving as chiefs of mission;

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(3) Foreign Service Reserve officers, who shall be assigned to the Service on a temporary basis from Government agencies or appointed on a temporary basis from outside the Government in accordance with the provisions of section 522, in order to make available to the Service such specialized skills as may from time to time be required;

(4) Foreign Service staff officers and employees, who shall be appointed in accordance with the provisions of section 531 and who shall include all personnel who are citizens of the United States, not comprehended under paragraphs (1), (2), (3), and (6) of this section, and who shall occupy positions with technical, administrative, fiscal, clerical, or custodial responsibilities;

(5) Alien clerks and employees, who shall be appointed in accordance with the provisions of section 541; and

(6) Consular agents, who shall be appointed in accordance with the provisions of section 551.

PART B—SALARIES

CHIEFS OF MISSIONS

SEC. 411. The President shall for salary purposes classify into four classes the positions which are to be occupied by chiefs of mission. The per annum salaries of chiefs of mission within each class shall be as follows: Class 1, $27,500 per annum; class 2, $25,000; class 3, $22,500; and class 4, $20,000.

FOREIGN SERVICE OFFICERS

SEC. 412. There shall be ten classes of Foreign Service officers, including the classes of career ambassador and of career minister. The per annum salary of a career ambassador shall be $20,000. The per annum salary of a career minister shall be $19,250. The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1	$16,060	$16,500	$16,940	$17,380	$17,820	$18,260	$18,700	
Class 2	13,860	14,190	14,520	14,850	15,180	15,510	15,840	
Class 3	11,660	11,990	12,320	12,650	12,980	13,310	13,640	
Class 4	9,900	10,175	10,450	10,725	11,000	11,275	11,550	
Class 5	8,140	8,415	8,690	8,965	9,240	9,515	9,790	
Class 6	6,710	6,930	7,150	7,370	7,590	7,810	8,030	
Class 7	5,610	5,775	5,940	6,105	6,270	6,435	6,600	
Class 8	4,730	4,895	5,060	5,225	5,390	5,555	5,720	$5,885

SALARIES AT WHICH FOREIGN SERVICE OFFICERS MAY BE APPOINTED

SEC. 413. A person appointed as a Foreign Service officer shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive.

FOREIGN SERVICE RESERVE OFFICERS

SEC. 414. (a) There shall be eight classes of Foreign Service Reserve officers, referred to hereafter as Reserve officers, which classes shall correspond to classes 1 to 8 of Foreign Service officers.

(b) A Reserve officer shall receive salary at any one of the rates provided for the class to which he is appointed or assigned in accordance with the provisions of section 523.

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(c) A person assigned as a Reserve officer from any Government agency shall receive his salary from appropriations provided for the Department during the period of his service as a Reserve officer.

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 415. (a) There shall be [twenty-two] *ten* classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees. The per annum [rates of salary] *salaries* of staff officers and employees within each class shall be as follows:

Class 1	$11,770	$12,120	$12,480	$12,830	$13,160		
Class 2	10,920	11,205	11,485	11,770	12,120		
Class 3	10,030	10,320	10,600	10,885	11,165		
Class 4	9,095	9,380	9,665	9,945	10,230		
Class 5	8,395	8,610	8,815	9,030	9,315	$9,600	
Class 6	7,690	7,905	8,120	8,325	8,540	8,755	
Class 7	6,990	7,200	7,415	7,630	7,840	8,050	
Class 8	6,285	6,495	6,710	6,925	7,140	7,350	
Class 9	5,585	5,795	6,005	6,220	6,435	6,650	
Class 10	5,115	5,260	5,400	5,540	5,755	5,970	$6,175
Class 11	4,650	4,790	4,930	5,070	5,215	5,355	5,500
Class 12	4,180	4,320	4,460	4,605	4,745	4,890	5,025
Class 13	3,730	3,870	4,010	4,155	4,295	4,440	4,580
Class 14	3,300	3,445	3,585	3,730	3,870	4,010	4,155
Class 15	3,090	3,165	3,230	3,300	3,445	3,585	3,730
Class 16	2,875	2,950	3,020	3,090	3,165	3,230	3,300
Class 17	2,660	2,735	2,805	2,875	2,950	3,020	3,090
Class 18	2,455	2,520	2,590	2,660	2,735	2,805	2,875
Class 19	2,240	2,310	2,380	2,455	2,520	2,590	2,660
Class 20	2,025	2,095	2,165	2,240	2,310	2,380	2,455
Class 21	1,810	1,880	1,955	2,025	2,095	2,165	2,240
Class 22	1,600	1,670	1,745	1,810	1,880	1,955	2,025
Class 1	*$11,660*	*$11,990*	*$12,320*	*$12,650*	*$12,980*	*$13,310*	*$13,640*
Class 2	*9,900*	*10,175*	*10,450*	*10,725*	*11,000*	*11,275*	*11,550*
Class 3	*8,140*	*8,415*	*8,690*	*8,965*	*9,240*	*9,515*	*9,790*
Class 4	*7,000*	*7,225*	*7,450*	*7,675*	*7,900*	*8,125*	*8,350*
Class 5	*6,150*	*6,350*	*6,550*	*6,750*	*6,950*	*7,150*	*7,350*
Class 6	*5,300*	*5,500*	*5,700*	*5,900*	*6,100*	*6,300*	*6,500*
Class 7	*4,650*	*4,800*	*4,950*	*5,100*	*5,250*	*5,400*	*5,550*
Class 8	*4,200*	*4,350*	*4,500*	*4,650*	*4,800*	*4,950*	*5,100*
Class 9	*3,750*	*3,900*	*4,050*	*4,200*	*4,350*	*4,500*	*4,650*
Class 10	*3,500*	*3,600*	*3,700*	*3,800*	*3,900*	*4,000*	*4,100*

(b) Notwithstanding the provisions of paragraph (a) of this section, the Secretary may, under such regulations as he may prescribe, fix the salary at lesser rates than those prescribed by this section for the applicable class of staff officers or employees who are recruited abroad and who are not available or are not qualified for transfer to another post.

SALARIES AT WHICH FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES MAY BE APPOINTED

SEC. 416. A person appointed as a staff officer or employee shall receive [salary at the minimum rate provided for the class to which appointed except as otherwise provided in accordance with the provisions of part E of this title.] *basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into account his qualifications and experience and the needs of the Service, determine to be appropriate for him to receive.*

(b) Whenever the Secretary determines that the needs of the Service warrant the appointment of staff officers or employees in a particular occupational group uniformly at a rate above the minimum rate of the applicable class, he may adjust the basic salary of any staff officer or employee in the same class and occupational group who is receiving less than such established rate.

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SALARIES OF ALIEN CLERKS AND EMPLOYEES

SEC. 417. The salary or compensation of an alien clerk or employee shall be fixed by the Secretary in accordance with such regulations as he shall prescribe and, as soon as practicable, in accordance with the provisions of section 444[(b)]. The salary or compensation of an alien clerk or employee fixed on a per annum basis may, notwithstanding the provisions of any other law, be payable on a weekly or biweekly basis. When a one- or two-week pay period of such a clerk or employee begins in one fiscal year and ends in another, the gross amount of the earnings for such pay periods may be regarded as a charge against the appropriation or allotment current at the end of such pay period.

SALARIES OF CONSULAR AGENTS

SEC. 418. The salary or compensation of a consular agent shall be fixed by the Secretary in accordance with such regulations as he shall prescribe and, as soon as practicable, in accordance with the provisions of section 445.

PART C—SALARIES OF OFFICERS TEMPORARILY IN CHARGE

AS CHARGÉS D'AFFAIRES AD INTERIM

SEC. 421. For such time as any Foreign Service officer shall be authorized to act as chargé d'affaires ad interim at the post to which he is assigned, he shall receive, in addition to his basic salary as Foreign Service officer, compensation equal to that portion of the difference between such salary and the basic salary provided for the chief of mission as the Secretary may determine to be appropriate.

AS OFFICERS IN CHARGE OF CONSULATES GENERAL OR CONSULATES

SEC. 422. For such time as any Foreign Service officer or any consul or vice consul who is not a Foreign Service officer is temporarily in charge of a consulate general or consulate during the absence or incapacity of the principal officer, he shall receive, in addition to his basic salary as Foreign Service officer or consul or vice consul, compensation equal to that portion which the Secretary shall determine to be appropriate of the difference between such salary and the basic salary provided for the principal officer, or, if there be none, of the former principal officer.

PART D—TIME OF RECEIVING SALARY

CHIEFS OF MISSION

SEC. 431. (a) Under such regulations as the Secretary may prescribe, a chief of mission may be entitled to receive salary from the effective date of his appointment to the date marking his return to his place of residence at the conclusion of the period of his official service as chief of mission or [the termination of time spent on authorized leave, whichever shall be later,] *upon termination of his service in accordance with the provisions of paragraph (b) of this section,* but no chief of mission shall be entitled to receive salary while absent

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from his post whenever the Secretary shall find that such absence was without authorization or justification. If a chief of mission in one position is appointed as chief of mission in another position, he shall be entitled to receive the salary pertaining to the new position commencing on the effective date of the new appointment.

(b) The official services of a chief of mission shall not be deemed terminated by the appointment of a successor but shall continue until he has relinquished charge of the mission [and has rendered such additional services to the Department as the Secretary may require him to render in the interests of the Government for a period not in excess of thirty days, exclusive of time spent in transit.] *and for such additional period as may be determined by the Secretary, but in no case shall such additional period exceed fifty days, including time spent in transit. During such period the Secretary may require him to render such service as he may deem necessary in the interests of the Government.*

(c) During the service of a Foreign Service officer as chief of mission he shall receive, in addition to his salary as Foreign Service officer, compensation equal to the difference, if any, between such salary and the salary of the position to which he is appointed or assigned.

OTHER OFFICERS AND EMPLOYEES

SEC. 432. (a) Under such regulations as the Secretary may prescribe, any officer or employee appointed to the Service may be entitled to receive salary from the effective date of his appointment to the date when he shall have returned to his place of residence at the conclusion of the period of his official service, or the termination of time spent on authorized leave, whichever shall be later, but no such officer or employee shall be entitled to receive salary while absent from his post whenever the Secretary shall find that such absence was without authorization or justification.

(b) A Foreign Service officer, appointed during a recess of the Senate, shall be paid salary from the effective date of his appointment until the end of the next session of the Senate, if he has not theretofore been confirmed by the Senate, or until his rejection by the Senate before the end of its next session.

(c) A Foreign Service officer promoted to a higher class shall receive salary at the rate prescribed in section 412 for the class to which he is promoted from the effective date of his appointment to such class. A Foreign Service officer promoted to a higher class during a recess of the Senate shall receive salary at the rate prescribed for the class to which he is promoted from the effective date of his appointment to such class until the end of the next session. If the Senate should reject or fail to confirm the promotion of such an officer during the session following the date of his promotion, the Foreign Service officer shall, unless he has become liable to separation in accordance with the provisions of section 633, be automatically reinstated in the class from which he was promoted and receive the salary he was receiving prior to his promotion, such reinstatement to be effective, in the event of rejection of the nomination, from the date of rejection; and in the event of the failure of the Senate to act on the nomination during the session following a promotion, from the termination of that session.

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PART E—CLASSIFICATION

[CLASSIFICATION OF POSITIONS IN THE FOREIGN SERVICE

[SEC. 441. Under such regulations as he may prescribe, the Secretary shall classify all positions in the Service, including those positions at foreign posts which may be held by career ministers, and shall allocate all positions occupied or to be occupied by staff officers or employees to classes and subclasses established by sections 415 and 442, respectively, and by alien employees and consular agents to such classes as may be established by regulation.]

CLASSIFICATION OF POSITIONS IN THE FOREIGN SERVICE AND IN THE DEPARTMENT

Sec. 441. (a) Under such regulations as he may prescribe, and in order to facilitate effective management, the Secretary shall classify all positions in the Service at posts abroad, excluding positions to be occupied by chiefs of mission, and in the case of those occupied by Foreign Service officers, Reserve officers, and staff officers and employees, he shall establish such positions in relation to the classes established by sections 412, 414, and 415, respectively. Positions occupied by alien employees and consular agents, respectively, shall be allocated to such classes as the Secretary may establish by regulation.

(b) Under such regulations as he may prescribe, the Secretary may, notwithstanding the provisions of the Classification Act of 1949, as amended (5 U.S.C. 1071 and the following), classify positions in or under the Department which he designates as Foreign Service officer positions to be occupied by officers and employees of the Service, and establish such positions in relation to the classes established by sections 412, 414, and 415.

[ADMINISTRATIVE ESTABLISHMENT OF NEW GROUPS OF POSITIONS FOR FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

[SEC. 442. The Secretary may, whenever he deems such action to be in the interests of good administration and warranted by the nature of the duties and responsibilities of any group of positions occupied or to be occupied by staff officers and employees in comparison with other positions in the same class, establish by regulation for any such group of positions a minimum salary computed at any one of the rates of salary above the minimum for a given class but not in excess of the middle rate provided for that class in section 415. Such groups of positions shall, for the purposes of this Act, be known as subclasses.]

ADMINISTRATIVE ESTABLISHMENT OF SALARY DIFFERENTIALS

SEC. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 per centum of basic salary, for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts.

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[CLASSIFICATION OF POSITIONS OF ALIEN CLERKS AND EMPLOYEES

[SEC. 444. (a) Upon the basis of the classification provided for in section 441, the Secretary shall, with the advice of the Board of the Foreign Service, from time to time prepare schedules of salaries for classes of positions of alien clerks and employees of the Service, which classes shall be established by regulation, and shall allocate all such positions to the appropriate classes.

[(b) All alien employees in an area of comparatively uniform wage scales and standards of living, occupying positions of equal responsibility, shall receive equal pay except as there may be increase provided for length of service in accordance with uniform procedures.]

COMPENSATION PLANS FOR ALIEN EMPLOYEES

SEC. 444. (a) The Secretary shall, in accordance with such regulations as he may prescribe, establish compensation plans for alien employees of the Service: Provided, That such compensation plans shall be based upon prevailing wage rates and compensation practices for corresponding types of positions in the locality, to the extent consistent with the public interest.

(b) For the purpose of performing functions abroad, other Government agencies are authorized to administer alien employee programs in accordance with the applicable provisions of this Act.

CLASSIFICATION OF CONSULAR AGENTS

SEC. 445. Upon the basis of the classification provided for in section 441, the Secretary shall, with the advice of the Board of the Foreign Service, from time to time prepare schedules of salaries for classes of positions of consular agents, which classes shall be established by regulation, and shall allocate all such positions to the appropriate classes.

[EXEMPTION FROM THE APPLICATION OF THE CLASSIFICATION ACT

[SEC. 446. Title II of the Act of November 26, 1940, entitled "An Act extending the classified executive Civil Service of the United States" (54 Stat. 1212; 5 U.S.C. 681), is hereby further amended by deleting paragraph (vii) of section 3(d) and by substituting in lieu of the present language of paragraph (vi) of section 3(d) the following language: "Offices or positions of officers and employees of the Foreign Service".]

ADMINISTRATIVE ESTABLISHMENT OF HAZARDOUS DUTY PAY FOR CERTAIN CATEGORIES OF OFFICERS AND EMPLOYEES

SEC. 446. The Secretary may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 15 per centum of basic salary, for officers or employees of the Service while they are assigned for duty as couriers.

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TITLE V—APPOINTMENTS AND ASSIGNMENTS

POLICY

SEC. 500. It is the policy of the Congress that chiefs of mission and Foreign Service officers appointed or assigned to serve the United States in foreign countries shall have, to the maximum practicable extent, among their qualifications, a useful knowledge of the principal language or dialect of the country in which they are to serve, and knowledge and understanding of the history, the culture, the economic, and political institutions, and the interests of such country and its people.

PART A—PRINCIPAL DIPLOMATIC REPRESENTATIVES

APPOINTMENTS

SEC. 501. (a) The President shall, by and with the advice and consent of the Senate, appoint ambassadors and ministers, including career ambassadors and career ministers.

(b) The President may, in his discretion, assign any Foreign Service officer to serve as minister resident, chargé d'affaires, commissioner, or diplomatic agent for such period as the public interest may require.

LISTS OF FOREIGN SERVICE OFFICERS QUALIFIED TO BE CAREER MINISTERS OR CHIEFS OF MISSION TO BE FURNISHED TO THE PRESIDENT

SEC. 502. (a) The Secretary shall, on the basis of recommendations made by the Board of the Foreign Service, from time to time furnish the President with the names of Foreign Service officers qualified for appointment to the class of career ambassador and class of career minister together with pertinent information about such officers, but no person shall be appointed into the class of career minister who has not been appointed to serve as a chief of mission or appointed or assigned to serve in a position which, in the opinion of the Secretary, is of comparable importance. A list of such positions shall from time to time be published by the Secretary. No person shall be appointed into the class of career ambassador who has not (1) served for at least fifteen years in a position of responsibility in a Government agency, or agencies, including at least three years as a career minister; (2) rendered exceptionally distinguished service to the Government; and (3) met such other requirements as the Secretary shall prescribe.

(b) The Secretary shall also, on the basis of recommendations made by the Board of the Foreign Service, from time to time furnish the President with the names of Foreign Service officers qualified for appointment or assignment as chief of mission, together with pertinent information about such officers, in order to assist the President in selecting qualified candidates for appointment or assignment in such capacity.

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PART B—FOREIGN SERVICE OFFICERS

APPOINTMENTS

SEC. 511. The President shall appoint Foreign Service officers by and with the advice and consent of the Senate. All appointments of Foreign Service officers shall be by appointment to a class and not to a particular post.

COMMISSIONS

SEC. 512. Foreign Service officers may be commissioned as diplomatic or consular officers or both and all official acts of such officers while serving under diplomatic or consular commissions shall be performed under their respective commissions as diplomatic or consular officers.

LIMITS OF CONSULAR DISTRICTS

SEC. 513. The Secretary shall define the limits of consular districts.

ASSIGNMENTS AND TRANSFERS

SEC. 514. A Foreign Service officer, commissioned as a diplomatic or consular officer, may be assigned by the Secretary to serve in any diplomatic position other than that of chief of mission or in any consular position, and he may also be assigned to serve in any other capacity in which he is eligible to serve under the terms of this or any other Act. He may be transferred from one post to another by order of the Secretary as the interests of the Service may require.

CITIZENSHIP REQUIREMENTS

SEC. 515. No person shall be eligible for appointment as a Foreign Service officer unless he is a citizen of the United States and has been such for at least ten years.

ADMISSION TO CLASS [8] *7 OR 8*

SEC. 516. (*a*) No person shall be eligible for appointment as a Foreign Service officer of class 8 unless he has passed such written, oral, physical, and other examinations as the Board of Examiners for the Foreign Service may prescribe to determine his fitness and aptitude for the work of the Service and has demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution. The Secretary shall furnish the President with the names of those persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 8.

(*b*) *The Secretary may furnish the President with the names of those persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 8, whom he recommends for appointment directly to class 7 when, in his opinion, their age, experience, or other qualifications make such an appointment appropriate.*

ADMISSION TO CLASSES 1 TO 7, INCLUSIVE

SEC. 517. [A person who has not served in class 8] *A person who has not been appointed as a Foreign Service officer in accordance with section 516 of this Act* shall not be eligible for appointment as a Foreign

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Service officer of classes 1 to 7, inclusive, unless he has passed comprehensive mental and physical examinations prescribed by the Board of examiners for the Foreign Service to determine his fitness and aptitude for the work of the Service; demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution; and rendered at least four years of actual service prior to appointment in a position of responsibility in the service of a Government agency, or agencies, except that, if he has reached the age of thirty-one years, the requirement as to service may be reduced to three years. [After the date of enactment of the Foreign Service Act Amendments of 1955 and until otherwise provided by Act of Congress, not more than one thousand two hundred and fifty person who have not served in class 8 may be appointed to classes 1 to 7, inclusive; of such persons, not more than one hundred and seventy-five may be appointed who were not employed on March 1, 1955, in the Department, including its Foreign Service Reserve and Foreign Service Staff personnel, and who have not also served in a position of responsibility in the Department, or the service, or both, for the required perior prior to appointment as a Foreign Service officer. Notwithstanding the above provisions of this section, the limitation on the maximum number of appointments authorized herein shall not be applicable in the case of any person appointed or assigned by the Secretary of State as a Foreign Service Reserve officer and who thereafter has served in a position of responsibility in such capacity for the required perior prior to appointment as a Foreign Service officer.] The Secretary shall furnish the President with the names of those persons who shall have passed such examinations and are eligible for appointment as Foreign Service officers of classes 1 to 7, inclusive. The Secretary shall, taking into consideration the age, qualifications, and experience of each candidate for appointment, recommend the class to which he shall be appointed in accordance with the provisions of this section.

ADMISSION TO THE CLASS OF CAREER MINISTER

SEC. 518. No person shall be eligible for appointment to the class of career ambassador or career minister who is not a Foreign Service officer.

REASSIGNMENT TO FOREIGN SERVICE OF FORMER AMBASSADORS AND MINISTERS

SEC. 519. If, within three months of the date of the termination of his services as chief of mission and of any period of authorized leave, a Foreign Service officer has not again been appointed or assigned as chief of mission or assigned in accordance with the provisions of section 514, he shall be retired from the Service and receive retirement benefits in accordance with the provisions of section 821.

[REINSTATEMENT AND RECALL] *REAPPOINTMENT, RECALL, OR REEMPLOYMENT* OF FOREIGN SERVICE OFFICERS

SEC. 502. (a) The President may, by and with the advice and consent of the Senate, reappoint to the Service, a former Foreign Service officer who has been separated from the Service [by reason of appointment to some other position in the Government servce and who has

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served continuously in the Government up to the time of reinstatement]. The Secretary shall, taking into consideration the qualifications and experience of each candidate for reappointment and the rank of his contemporaries in the Service, recommend the class to which he shall be reappointed in accordance with the provisions of this section.

(b) [Whenever the Secretary shall determine an emergency to exist, the Secretary may recall any retired Foreign Service officer temporarily to active service.] *The Secretary may recall any retired Foreign Service officer temporarily to duty in the Service whenever he shall determine such recall is in the public interest.*

(c) Notwithstanding the provisions of title 5, United States Code, section 62, and title 5, United States Code, section 715a, a Foreign Service officer heretofore or hereafter retired under the provisions of section 631 or 632 or a Foreign Service staff officer or employee hereafter retired under the provisions of section 803 shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

PART C—FOREIGN SERVICE RESERVE OFFICERS

ESTABLISHMENT OF RESERVE

SEC. 521. In accordance with the terms of this Act and under such regulations as the Secretary shall prescribe, there shall be organized and maintained a Foreign Service Reserve, referred to hereafter as the Reserve.

APPOINTMENTS AND ASSIGNMENTS TO THE RESERVE

SEC. 522. Whenever the services of a person who is a citizen of the United States and who has been such for at least five years are required by the Service, the Secretary may—

(1) appoint as a Reserve officer for nonconsecutive periods of not more than five years each, a person not in the employ of the Government whom the Board of the Foreign Service shall deem to have outstanding qualifications; and

(2) assign as a Reserve officer for nonconsecutive periods of not more than five years each a person regularly employed in any Government agency, subject, in the case of an employee of a Government agency other than the Department of State, to the consent of the head of the agency concerned.

APPOINTMENT OR ASSIGNMENT TO A CLASS

SEC. 523. A Reserve officer, appointed or assigned to active duty, shall be appointed or assigned to a class and not to a particular post, and such an officer may be assigned to posts and may be transferred from one post to another by order of the Secretary as the interests of the Service may require. The class to which he shall be appointed or assigned shall depend on his age, qualifications, and experience.

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COMMISSIONS

SEC. 524. Whenever the Secretary shall deem it in the interests of the Service that a Reserve officer shall serve in a diplomatic or consular capacity, he may recommend to the President that such officer be commissioned as a diplomatic or consular officer or both. The President may, by and with the advice and consent of the Senate, commission such officer as a diplomatic or consular officer or both, and all official acts of such an officer while serving under a diplomatic or consular commission shall be performed under his commission as a diplomatic or consular officer. In all other cases, appropriate rank and status, analogous to that of Foreign Service officers engaged in work of comparable importance shall be provided to permit Reserve officers to carry out their duties effectively.

[ACTIVE DUTY

[SEC. 525. The Secretary shall by regulation define the period during which a Reserve officer shall be considered as being on active duty.]

BENEFITS

SEC. 526. A Reserve officer shall, except as otherwise provided in regulations which the Secretary may prescribe, receive all the allowances, privileges, and benefits which Foreign Service officers are entitled to receive in accordance with the provisions of title IX.

REAPPOINTMENT OR REASSIGNMENT OF RESERVE OFFICERS

SEC. 527. A person who has served as a Reserve officer may not be reappointed or reassigned to active duty until the expiration of a period of time equal to his preceding tour of duty or until the expiration of a year, whichever is the shorter.

REINSTATEMENT OF RESERVE OFFICERS

SEC. 528. Upon the termination of the assignment of a Reserve officer assigned from any Government agency, such person shall be entitled to reinstatement in the Government agency by which he is regularly employed in the same position he occupied at the time of assignment, or in a corresponding or higher position. Upon reinstatement he shall receive the within-grade salary advancements he would have been entitled to receive had he remained in the position in which he is regularly employed under [subsection (d), section 7, of the Classification Act of 1923], *the Classification Act of 1949* as amended, or any corresponding provision of law applicable to the position in which he is serving. A certificate of the Secretary that such person has met the standards required for the efficient conduct of the work of the Foreign Service shall satisfy any requirements as to the holding of minimum ratings as a prerequisite to the receipt of such salary advancements.

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PART D—FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

APPOINTMENTS

SEC. 531. The Secretary [shall appoint staff officers and employees under such regulations as he may prescribe and, as soon as practicable, in accordance with the provisions of sections 441, 442, and 443.] *may, under such regulations as he may prescribe, appoint staff officers and employees on the basis of qualifications and experience. The Secretary may make provisions for temporary, limited, and such other types of appointment as he may deem necessary. He is authorized to establish appropriate probationary periods during which newly appointed staff officers or employees, other than those appointed for temporary or limited services shall be required to serve. The Secretary may terminate at any time, without regard to the provisions of section 637, or the provisions of any other law, staff officers or employees appointed for temporary or limited service and staff officers or employees who have not completed probationary periods, except that if such separation is by reason of misconduct the provisions of section 637 shall be applicable.*

ASSIGNMENTS AND TRANSFERS

SEC. 532. [The Secretary may, in accordance with uniform procedures established in such regulations as he may prescribe, assign a staff officer or employee to a position at any post and transfer such a person from a position in one class to a vacant position within the same class, and from one post to another. Upon demonstration of ability to assume duties of greater responsibility, such person may, as provided in section 641, be promoted to a vacant position in a higher class at the same or at a higher rate of salary and he may be transferred from one post to another in connection with such promotion.] *Under such regulations as he may prescribe, the Secretary may assign a staff officer or employee to any post or he may assign him to serve in any position in which he is eligible to serve under the terms of this or any other Act. A staff officer or employee may be transferred from one post to another by order of the Secretary as the interests of the Service may require.*

COMMISSION AS CONSUL OR VICE CONSUL

SEC. 533. On the recommendation of the Secretary, the President may, by and with the advice and consent of the Senate, commission a staff officer or employee as consul. The Secretary may commission a staff officer or employee as vice consul. Official acts of staff officers or employees while serving under consular commissions in the Service shall be performed under their respective commissions as consular officers.

CITIZENSHIP REQUIREMENT

SEC. 534. No person shall be eligible for appointment as staff officer or employee who is not a citizen of the United States at the time of his appointment.

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PART E—ALIEN CLERKS AND EMPLOYEES

APPOINTMENTS

SEC. 541. The Secretary shall appoint alien clerks and employees at posts abroad under such regulations as he may prescribe and, as soon as practicable, in accordance with the provisions of section 444.

ASSIGNMENTS AND TRANSFERS

SEC. 542. The Secretary may assign an alien clerk or employee to a position at any post, and any such clerk or employee may be transferred from a position at one post to a position at another as the interests of the Service may require.

PART F—CONSULAR AGENTS

SEC. 551. The Secretary may appoint consular agents under such regulations as he may prescribe and, as soon as practicable, in accordance with the provisions of section 445.

PART H—ASSIGNMENT OF FOREIGN SERVICE PERSONNEL

ASSIGNMENTS TO ANY GOVERNMENT AGENCY *OR INTERNATIONAL ORGANIZATION*

SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, *or in any international organization, international commission, or international body,* such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years.

[(b) A Foreign Service officer may be appointed as Director General, notwithstanding the provisions of the last sentence of paragraph (a) of this section, but any such officer may not serve longer than four years in such position or positions and upon the completion of such service may not again be assigned to a position in the Department until the expiration of a period of time equal to his tour of duty as Director General or until the expiration of two years, whichever is shorter.]

[(c)] (*b*) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, [to a position,] *or by the President alone to a position in any Government agency, any United States delegation or mission to any international organization, in any international commission, or in any international body,* the period of his service in such capacity shall be construed as constituting an assignment [for duty] within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service

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officer. Service in such a position shall not, however, be subject to the limitations concerning the duration of an assignment [or concerning reassignment] contained in that paragraph. [Any Foreign Service officer who resigned from the Service, or retired in accordance with section 636 of this Act on or after November 14, 1957, but prior to the enactment of this sentence, for the purpose of accepting an immediate appointment to such a position, shall be considered as having been assigned to such other position under authority of this section as amended. Appropriate adjustment at the election of the officer may be made with respect to special contributions deposited immediately prior to resignation or retirement by any such officer under title VIII of this Act on salaries in excess of $..3,500.]

[(d)] (*c*) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary *and allowances* of the position in which he is serving in lieu of his salary *and allowances* as an officer or employee of the Service. Any salary paid under the provisions of this section shall be [paid from appropriations made available for the payment of salaries of officers and employees of the Service and shall be] the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII. *No officer or employee of the Service who, subsequent to the effective date of the Foreign Service Act Amendments of 1959, is assigned to, or who, after June 30, 1960, occupies a position in the Department that is designated as a Foreign Service Officer position, shall be entitled to receive a salary differential under the provisions of this paragraph.*

[(e)] (*d*) The salary of an officer or employee assigned pursuant to the terms of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service. Such appropriations may be reimbursed, however, when the Secretary enters into reimbursement agreements [with heads of Government agencies] for all or any part of the salaries of officers or employees assigned to such agencies and payment is received pursuant thereto, or when an officer or employee of the Service is assigned to a position the salary of which is payable from other funds available to the Department.

(*e*) *Any Foreign Service officer or employee assigned to duty in the continental United States between assignments abroad, and any Foreign Service officer of class 7 or 8 assigned to duty in the continental United States prior to assignment abroad shall receive, during the course of such period of assignment, a differential applied to basic salary of 8 per centum if without dependents, 11 per centum if with one to three dependents, and 13 per centum if with more than three dependents to assist in defraying the cost of quarters.*

COMPULSORY SERVICE OF FOREIGN SERVICE OFFICERS IN THE CONTINENTAL UNITED STATES

SEC. 572. Every Foreign Service officer shall, during his first fifteen years of service in such capacity, be assigned for duty in the continental United States in accordance with the provisions of section 571 for periods totaling not less than three years.

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ASSIGNMENT FOR CONSULTATION OR INSTRUCTION

SEC. 573. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed to any Government agency for consultation or specific instruction either at the commencement, during the course of, or at the close of the period of his official service; and any such detail or assignment, if not more than four months in duration, shall not be considered as an assignment within the meaning of section 571.

(b) Any officer or employee of the Service may be assigned or detailed for special instruction or training at or with public or private nonprofit institutions; trade, labor, agricultural, or scientific associations; or commercial firms.

ASSIGNMENT TO TRADE, LABOR, AGRICULTURAL, SCIENTIFIC, OR OTHER CONFERENCES

SEC. 574. An officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty with domestic or international trade, labor, agricultural, scientific, or other conferences, congresses, or gatherings, including those whose place of meeting is in the continental United States; or for other special duties, including temporary details under commission not at his post or in the Department.

ASSIGNMENTS TO FOREIGN GOVERNMENTS

SEC. 575. The Secretary may, in his discretion, assign or detail an officer or employee of the Service for temporary service to or in cooperation with the government of another country in accordance [with the provisions of the Act of May 25, 1938, as amended (52 Stat. 442; 53 Stat. 652; 5 U.S.C. 118e).] *with the appropriate provisions of titles III and IX of Public Law 402, 80th Congress (62 Stat. 7 and 13; 22 U.S.C. 1451–1453, 1478 and 1479).*

[ASSIGNMENTS TO INTERNATIONAL ORGANIZATIONS

[SEC. 576. The Secretary may, in his discretion, assign or detail an officer or employee of the Service for temporary service to or in cooperation with an international organization in which the United States participates under the same conditions as those governing the assignment or detail of officers or employees of the Service to the government of another country in accordance with the provisions of the Act of May 25, 1938, as amended (52 Stat. 442; 53 Stat. 652; 5 U.S.C. 118e).

[ASSIGNMENT OR DETAIL TO THE UNITED STATES NOT TO AFFECT PERSONNEL CEILINGS

[SEC. 577. An officer or employee of the Service assigned or detailed to the continental United States in accordance with the provisions of this Act shall not be counted as a civilian employee within the meaning of section 607 of the Federal Employees' Pay Act of 1945, as amended by section 14 of the Federal Employees' Pay Act of 1946.]

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FOREIGN LANGUAGE KNOWLEDGE PREREQUISITE TO ASSIGNMENT

Sec. 578. The Secretary shall designate every Foreign Service Officer position in a foreign country whose incumbent should have a useful knowledge of a language or dialect common to such country. After December 31, 1963, each position so designated shall be filled only by an incumbent having such knowledge: Provided, That the Secretary or Deputy Under Secretary for Administration may make exceptions to this requirement for individuals or when special or emergency conditions exist. The Secretary shall establish foreign language standards for assignment abroad of officers and employees of the Service, and shall arrange for appropriate language training of such officers and employees at the Foreign Service Institute or elsewhere.

TITLE VI—PERSONNEL ADMINISTRATION

PART A—DEFINITIONS

SEC. 601. For the purposes of this title—

(1) "Efficiency record" is the term which describes those materials considered by the Director General to be pertinent to the preparation of an evaluation of the performance of an officer or employee of the Service.

(2) "Efficiency report" is the term which designates the analysis of the performance of an officer or employee made by his supervising officer or by a Foreign Service inspector in accordance with such regulations as may be prescribed by the Secretary.

PART B—EFFICIENCY RECORDS

RESPONSIBILITY OF THE DIRECTOR GENERAL FOR THE KEEPING OF EFFICIENCY RECORDS

SEC. 611. The Director General, acting under the general direction of the Board of the Foreign Service, shall be responsible for the keeping of accurate and impartial efficiency records. Under his direction there shall be assembled, recorded, and preserved all available information in regard to the character, ability, conduct quality of work, industry, experience, dependability, and general usefulness of all officers and employees of the Service, including the reports of Foreign Service inspectors and the efficiency reports of supervising officers. The Director General shall undertake such statistical and other analyses as may be necessary to develop the validity and reliability of efficiency reporting forms and procedures.

TO WHOM RECORDS SHALL BE AVAILABLE

SEC. 612. The correspondence and records of the Department relating to the officers and employees of the Service, including efficiency records as defined in section 601(1) but not including records pertaining to the receipt, disbursement, and accounting for public funds, shall be confidential and subject to inspection only by the President, the Secretary, the Under Secretary, the Counselor of the Department, the legislative and appropriations committees of the Congress charged with considering legislation and appropriations for the Service or

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representatives duly authorized by such committees, the members of the Board of the Foreign Service, the Director General, and such officers and employees of the Government as may be assigned by the Secretary to work on such records. Under such regulations as the Secretary may prescribe and in the interest of efficient personnel administration, the whole or any portion of an efficiency record shall, upon written request, be divulged to the officer or employee to whom such record relates.

PART C—PROMOTION OF FOREIGN SERVICE OFFICERS AND FOREIGN SERVICE RESERVE OFFICERS

PROMOTION OF FOREIGN SERVICE OFFICERS BY SELECTION

SEC. 621. All promotions of Foreign Service officers shall be made by the President, in accordance with such regulations as he may prescribe, by appointment to a higher class, by and with the advice and consent of the Senate. Promotion shall be by selection on the basis of merit.

ELIGIBILITY

SEC. 622. The Secretary shall, by regulation, determine the minimum period Foreign Service officers must serve in each class and a standard for performance for each class which they must meet in order to become eligible for promotion to a higher class. In the event the Director General shall certify to the Board of the Foreign Service that a Foreign Service officer has rendered extraordinarily meritorious service, the Board of the Foreign Service may recommend to the Secretary that such officer shall not be required to serve such minimum period in class as a prerequisite to promotion, and the Secretary may exempt such officer from such requirement.

RECOMMENDATIONS FOR PROMOTIONS

SEC. 623. The Secretary is authorized to establish, with the advice of the Board of the Foreign Service, selection boards to evaluate the performance of Foreign Service officers, and upon the basis of their findings the Secretary shall make recommendations to the President for the promotion of Foreign Service officers. No person assigned to serve on any such board shall serve in such capacity for any two consecutive years.

PROMOTION OF FOREIGN SERVICE RESERVE OFFICERS

SEC. 624. Any Reserve officer may receive promotions from one class to a next higher class in accordance with regulations prescribed by the Secretary.

[IN-CLASS PROMOTIONS OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS] *WITHIN-CLASS SALARY INCREASES OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS*

SEC. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the [Foreign] Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first

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day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. *Without regard to any other law,* the Secretary is authorized to grant to [a Foreign Service officer or a Reserve officer, in any class,] *any such officer* additional increases in salary, within the salary range established for the class in which he is serving, based upon especially meritorious service.

RELATIONSHIP BETWEEN PROMOTIONS AND FUNCTIONAL AND GEOGRAPHIC AREA SPECIALIZATION

SEC. 626. The achievement of the objectives of this Act requires increasing numbers of Foreign Service officers to acquire functional and geographic area specializations and to pursue such specializations for a substantial part of their careers. Such specialization shall not in any way inhibit or prejudice the orderly advancement through class 1 of any such officer in the Foreign Service.

PART D—SEPARATION OF [FOREIGN SERVICE] OFFICERS *AND EMPLOYEES* FROM THE SERVICE

FOREIGN SERVICE OFFICERS WHO ARE *CAREER AMBASSADORS OR* CAREER MINISTERS

SEC. 631. Any Foreign Service officer who is a career ambassador or a career minister, other than one occupying a position as chief of mission [, shall, upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.] *or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, shall upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years.*

FOREIGN SERVICE OFFICERS WHO ARE NOT *CAREER AMBASSADORS OR* CAREER MINISTERS

SEC. 632. Any Foreign Service officer [who is not a career ambassador or a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821 but when the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.], *other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador or a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years.*

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SELECTION-OUT

SEC. 633. (a) The Secretary shall prescribe regulations concerning—

(1) the maximum period during which any Foreign Service officer below the class of career minister shall be permitted to remain in class without promotion; and

(2) the standard of performance which any such officer must maintain to remain in the Service.

(b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers in his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

SELECTION-OUT BENEFITS

SEC. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

(b) Any Foreign Service officer in classes 4, 5, 6, or 7 who is retired from the Service in accordance with the provisions of section 633 shall receive—

(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, *from the Foreign Service Retirement and Disability Fund*, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following: *Provided, That in special cases, the Secretary may in his discretion accelerate or combine the installments*; and

(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest [thereon at 4 per centum, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of sixty-two, in accordance with the provisions of section 821. In the event that an officer who was separated from classes 4 or 5 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from classes 6 and 7 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, shall be paid in accordance with the provisions of section 841.] *as provided in section 841(a), except that in lieu of such refund such officer, if he has at least five years of service credit toward retirement under the Foreign Service Retirement and Disability System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section*

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821. In the event that an officer who was separated from class 4 or 5 and who has elected to receive retirement benefits dies before reaching the age of sixty, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 6 or 7 and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), shall be paid in accordance with the provisions of section 841(b).

(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U.S.C. 203) or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 633 shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b)(1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.

FOREIGN SERVICE OFFICERS RETIRED FROM CLASS [8] *7 OR 8*

SEC. 635. [Any Foreign Service officer in class 8 shall occupy probationary status. The Secretary may terminate his service at any time.] *Any Foreign Service officer in class 7 who is appointed under the provisions of section 516(b) and any Foreign Service officer in class 8 shall occupy probationary status. The Secretary may terminate his service at any time.*

VOLUNTARY RETIREMENT

SEC. 636. [Any Foreign Service officer] *Any participant in the Foreign Service Retirement and Disability System* who is at least fifty years of age and has rendered twenty years of service, including service within the meaning of section 853, may on his own application and with the consent of the Secretary be retired from the Service and receive benefits in accordance with the provisions of section 821.

SEPARATION FOR [UNSATISFACTORY PERFORMANCE OF DUTY] *CAUSE*

SEC. 637. (a) The Secretary may, under such regulations as he may prescribe, separate from the Service any Foreign Service officer [above class 8 on account of the unsatisfactory performance of his duties; but no such officer shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties shall have been established at such hearing.], *Reserve officer, or staff officer or employee, on account of the unsatisfactory performance of his duties, or for such other cause as will promote the efficiency of the Service, with reasons given in writing, but no such officer or employee shall be so separated until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties, or other cause for separation, shall have been established at such hearing, unless he shall have waived in writing his right to a hearing. The provisions of this section shall not apply to Foreign Service officers of class 8 or any*

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other officer or employee of the Service who is in a probationary status or whose appointment is limited or temporary, except when separation is by reason of misconduct.

(b) [Any Foreign Service officer over forty-five years of age, separated from the Service in accordance with the provisions of paragraph (a) of this section, shall be retired upon an annuity computed in accordance with the provisions of section 821 but not in excess of 25 per centum of his per annum salary at the time of his separation.] *Any participant in the Foreign Service Retirement and Disability System separated under the provisions of paragraph (a) of this section shall receive a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest, as provided in section 841(a) except that in lieu of such refund such officer may, except in cases where the Secretary determines that separation was based in whole or in part on the ground of disloyalty to the United States, if he has at least five years of service credit toward retirement under this System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), elect to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821 commencing at the age of sixty years. In the event that an officer who has elected under the provisions of this section to receive a deferred annuity dies before reaching the age of sixty, his contributions to the Fund, with interests, shall be paid in accordance with the provisions of sections 841 and 881.*

(c) [Any Foreign Service officer under forty-five years of age, separated from the Service in accordance with the provisions of paragraph (a) of this section, shall at the time of separation receive a payment equal to one year's salary or the refund of the contributions made by him to the Foreign Service Retirement and Disability Fund, whichever shall be greater.] *Any officer or employee of the Service separated under the provisions of paragraph (a) of this section who is not a participant in the Foreign Service Retirement and Disability System shall be entitled only to such benefits as shall accrue to him under the retirement system in which he is a participant.*

[(d) Any payments made in accordance with the provisions of this section shall be made out of the Foreign Service Retirement and Disability Fund.]

(d) Any payments made in accordance with the provisions of paragraph (b) of this section shall be made out of the Foreign Service Retirement and Disability Fund.

[SEPARATION FOR MISCONDUCT OR MALFEASANCE

[SEC. 638. The Secretary shall separate from the Service any Foreign Service officer or Reserve officer who shall be guilty of misconduct or malfeasance in office, but no such officer shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and his misconduct or malfeasance shall have been establish at such hearing. Any officer separated from the Service in accordance with the provisions of this section shall not be eligible to receive the benefits provided by title VIII of this Act, but his contributions to the Foreign Service Retirement and Disability Fund shall be returned to him in accordance with the provisions of section 841(a).]

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TERMINATION OF LIMITED APPOINTMENTS OF FOREIGN SERVICE RESERVE OFFICERS AND STAFF OFFICERS AND EMPLOYEES

Sec. 638. Notwithstanding the provisions of this or any other law, the Secretary may, under such regulations as he may prescribe, terminate at any time the services of any Reserve officer or staff officer or employee serving under limited appointment, except that, if the termination is because of misconduct, the provisions of section 637 shall be applicable.

This section shall not modify the conditions of employment of, and shall not be applicable to, staff officers who accepted Reserve officer appointments during the period from September 1, 1958 through December 31, 1958.

PART E—PROMOTION OF FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

CLASS PROMOTION OF STAFF PERSONNEL

SEC. 641. [Any staff officer or employee may, in accordance with uniform procedures established in regulations prescribed by the Secretary, upon demonstration of ability to assume duties of greater responsibility, be promoted to a vacant position in a higher class at the same or at a higher rate of salary.] *All promotions of staff officers and employees to a higher class shall be made at a higher salary on the basis of performance and merit in accordance with such regulations as the Secretary may prescribe.*

[IN-CLASS PROMOTIONS OF STAFF OFFICERS AND EMPLOYEES]

WITHIN CLASS AND LONGEVITY SALARY INCREASES

SEC. 642. [In-class promotion of staff officers and employees shall be granted in accordance with regulations prescribed by the Secretary.] *(a) Under such regulations as the Secretary may prescribe, any staff officer or employee whose services meet the standards required for the efficient conduct of the work of the Service shall receive an increase in salary at periodic intervals to the next higher salary rate for the class in which he is serving. Without regard to any other law the Secretary is authorized to grant any such officer or employee additional increases in salary within the salary range established for the class in which he is serving, based upon especially meritorious service.*

(b) Under such regulations as the Secretary may prescribe, any staff officer or employee who has attained the maximum salary rate prescribed by section 415 for the class in which he is serving may be granted from time to time an additional salary increase beyond the maximum salary rate for his class in recognition of longevity and proficiency in the Service. Each such salary increase shall be equal to the maximum salary rate of the applicable class and no person shall receive more than four such salary increases while serving in the same class.

[PART F—SEPARATION OF STAFF OFFICERS AND EMPLOYEES

FOR UNSATISFACTORY PERFORMANCE OF DUTY

SEC. 651. The Secretary may, under such regulations as he may prescribe, separate from the Service any staff officer or employee on

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account of the unsatisfactory performance of his duties, but no such officer or employee shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties shall have been established at such hearing.]

[FOR MISCONDUCT OR MALFEASANCE

SEC. 652. The Secretary shall separate from the Service any staff officer or employee who shall be guilty of misconduct or malfeasance in office, but no such officer or employee shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and his misconduct or malfeasance shall have been established at such hearing.]

PART G—PROMOTION AND SEPARATION OF ALIEN CLERKS AND EMPLOYEES

PROMOTION

SEC. 661. Alien clerks and employees shall receive promotions from one class to a higher class and in-class promotions in accordance with regulations prescribed by the Secretary.

FOR UNSATISFACTORY PERFORMANCE OF DUTY

SEC. 662. The Secretary may, under such regulations as he may prescribe, separate from the Service any alien clerk or employee on account of the unsatisfactory performance of his duties.

SEPARATION FOR MISCONDUCT OR MALFEASANCE

SEC. 663. The Secretary shall separate from the Service any alien clerk or employee who shall be found guilty of misconduct or malfeasance.

PART H—SEPARATION OF CONSULAR AGENTS

SEC. 671. The Secretary may, under such regulations as he may prescribe, separate any consular agent from the Service on account of—

(a) the unsatisfactory performance of his duties; or
(b) misconduct or malfeasance.

PART I—INSPECTIONS

SEC. 681. The Secretary shall assign or detail Foreign Service officers as Foreign Service inspectors to inspect in a substantially uniform manner and at least once every two years the work of the diplomatic and consular establishments of the United States. Whenever the Secretary has reason to believe that the business of a consulate is not being properly conducted and that it is necessary in the public interest, he may authorize any Foreign Service inspector to suspend the principal officer or any subordinate consular officer and to administer the office in the place of the principal officer for a period not exceeding ninety days.

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The Secretary may also authorize a Foreign Service inspector to suspend any diplomatic officer except a chief of mission. A Foreign Service inspector shall have the authority to suspend any other officer or employee of the Service.

TITLE VII—THE FOREIGN SERVICE INSTITUTE

ESTABLISHMENT OF THE INSTITUTE

SEC. 701. The Secretary shall, in order to furnish training and instruction to officers and employees of the Service and of the Department and to other officers and employees of the Government for whom training and instruction in the field of foreign relations is necessary, and in order to promote and foster programs of study incidental to such training, establish a Foreign Service Institute, hereinafter called the Institute. *The Secretary may also provide to the extent that space is available therefor appropriate orientation and language training to spouses of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees. Other agencies of the Government shall wherever practicable avoid duplicating the facilities of the Institute and the training provided by the Secretary at the Institute or elsewhere.*

THE DIRECTOR OF THE INSTITUTE—APPOINTMENT, SALARY, AND DUTIES

SEC. 702. The head of the Institute, who shall be known as its Director, shall be appointed by the Secretary. The Director shall, under the general supervision of the Director General and under such regulations as the Secretary may prescribe, establish the basic procedures to be followed by the Institute; plan and provide for the general nature of the training and instruction to be furnished at the Institute; correlate the training and instruction to be furnished at the Institute with the training activities of the Department and other Government agencies and with courses given at private institutions that are designed or may serve to furnish training and instruction to officers and employees of the Service; encourage and foster such programs outside of the Institute as will be complementary to those of the Institute; and take such other action as may be required for the proper administration of the Institute.

AID TO NONPROFIT INSTITUTIONS

SEC. 703. The Secretary may, within the limits of such appropriations as may be made specifically therefor, make grants or furnish such other gratuitous assistance as he may deem necessary or advisable to nonprofit institutions cooperating with the Institute in any of the programs conducted by the Director by authority of this title.

APPOINTMENT, ASSIGNMENT, AND DETAIL TO THE INSTITUTE

SEC. 704. (a) The Secretary may appoint to the faculty or staff of the Institute on a full- or part-time basis such personnel as he may deem necessary to carry out the provisions of this title in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed

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necessary by the Secretary for the effective administration of this title, personnel may be appointed without regard to such laws and regulations, but any person so appointed shall receive a salary at one of the rates provided by the Classification Act of 1923, as amended. All appointments to the faculty or staff of the Institute shall be made without regard to political affiliations and shall be made solely on the basis of demonstrated interest in, and capacity to promote, the purposes of the Institute.

(b) The Secretary may, under such regulations as he may prescribe and on a full- or part-time basis, assign or detail officers and employees of the Service to serve on the faculty or staff of the Institute or to receive training at the Institute.

(c) The Secretary may, under such regulations as he may prescribe and on a full- or part-time basis, assign or detail any officer or employee of the Department, and, with the consent of the head of the Government agency concerned, any other officer or employee of the Government, to serve on the faculty or staff of the Institute, or to receive training. During the period of his assignment or detail, such officer or employee shall be considered as remaining in the position from which assigned.

(d) It shall be the duty of the Director to make recommendations to the Secretary with regard to the appointment, assignment, or detail of persons to serve on the faculty or staff of the Institute, and the Secretary shall in each case take such recommendations into consideration in making such appointments, assignments, or details.

(e) The Secretary may, under such regulations as he may prescribe, in the absence of suitably qualified United States citizens, employ persons who are not citizens of the United States by appointment to the staff of the Institute either on a full- or part-time basis or by contract for services in the United States or abroad at rates not in excess of those provided by the Classification Act of 1949, as amended (5 U.S.C. 1071).

(f) The Secretary may, under such regulations as he may prescribe, provide special monetary or other incentives not inconsistent with this Act to encourage Foreign Service personnel to acquire or retain proficiency in esoteric foreign languages or special abilities needed in the Service.

INSTRUCTION AND EDUCATION AT OTHER LOCALITIES THAN THE INSTITUTE

SEC. 705. The Secretary may, under such regulations as he may prescribe, pay the tuition and other expenses of officers and employees of the Service, assigned or detailed in accordance with the provisions of section 573(b) for special instruction or training at or with public or private nonprofit institutions, trade, labor, agricultural, or scientific associations, or commercial firms.

ENDOWMENTS AND GIFTS TO THE INSTITUTE

SEC. 706. The Secretary may accept, receive, hold, and administer gifts, bequests, or devises of money, securities, or property made for the benefit of, or in connection with, the Foreign Service Institute in accordance with part C of title X.

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ACQUISITION OF REAL PROPERTY FOR THE INSTITUTE

SEC. 707. The Secretary may, in the name of the United States, acquire such real property as may be necessary for the operation and maintenance of the Institute and, without regard to section 3709 of the Revised Statutes, such other property and equipment as may be necessary for its operation and maintenance.

TITLE VIII—THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

PART A—ESTABLISHMENT OF SYSTEM

RULES AND REGULATIONS

SEC. 801. (a) The President may prescribe rules and regulations for the maintenance of a Foreign Service Retirement and Disability System, originally established by section 18 of the Act of May 24, 1924 (43 Stat. 144), referred to hereafter as the System.

(b) The Secretary shall administer the System in accordance with such rules and regulations and with the principles established by this Act.

MAINTENANCE OF FUND

SEC. 802. The Secretary of the Treasury shall maintain the special fund, known as the Foreign Service Retirement and Disability Fund, referred to hereafter as the Fund, originally constituted by section 18 of the Act of May 24, 1924 (43 Stat. 144).

PARTICIPANTS

SEC. 803. (a) The following persons, hereafter referred to as participants, shall be entitled to the benefits of the System:

(1) All Foreign Service officers;

(2) All other persons making contributions to the Fund on the effective date of this Act;

(3) Any chief of mission who is not otherwise entitled to be a participant and who fulfills the conditions of paragraph (b) of this section;

(b) A person to become a participant in accordance with the provisions of paragraphs (a)(3) of this section must—

(1) have served as chief of mission for an aggregate period of twenty years or more, exclusive of extra service credit in accordance with the provisions of section 853; and

(2) [have paid into the Fund a special contribution equal to 5 per centum of his basic salary for each year of such service with interest thereon to date of payment, compounded annually at 4 per centum.] *have paid into the Fund a special contribution for each year of such service in accordance with the provisions of section 852(b).*

(c) (1) In accordance with such regulations as the President may prescribe, any Foreign Service staff officer or employee appointed by the Secretary of State who has completed at least ten years of continuous service in the Department's Foreign Service, exclusive of military service, shall become a participant in the System and shall make a special contribution to the Fund in accordance with the provisions of section 852.

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(2) Any such officer or employee who, under the provisions of paragraph (c)(1) of this section, becomes a participant in the System, shall be mandatorily retired for age during the first year after the effective date of this section if he attains age sixty-four or if he is over age sixty-four; during the second year at age sixty-three; during the third year at age sixty-two; during the fourth year at age sixty-one, and thereafter at age sixty.

(3) Any officer or employee who becomes a participant under the provisions of paragraph (c)(1) of this section, who is age 61 or over on the effective date of this section, and who is retired mandatorily under the provisions of paragraph (c)(2) of this section, shall receive, in addition to retirement benefits under section 821, one-twelfth of a year's salary at his then current rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the Fund, at the time of his retirement.

ANNUITANTS

SEC. 804. [Annuitants shall be persons who are receiving annuities from the Fund on the effective date of this Act, persons who shall become entitled to receive annuities in accordance with the provisions of sections 519, 631, 632, 634, 636, 637, 831, 832, and 833, and all widows and beneficiaries of participants who are entitled to receive annuities in accordance with the terms of this title.] *(a) Annuitants shall be persons who are receiving annuities from the Fund on the effective date of this Act and all persons, including surviving wives and husbands, widows, dependent widowers, children, and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act, as amended, or in accordance with the provisions of section 5 of the Act of May 1, 1956 (70 Stat. 125).*

(b) When used in this title the term—

(1) "Widow" means surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

(3) "Child" means an unmarried child, under the age of 18 years, or such unmarried child regardless of age who because of physical or mental disability incurred before age 18 is incapable of self-support. In addition to the offspring of the participant and his or her spouse the term includes (a) an adopted child, and (b) a step-child or recognized natural child who received more than one-half of his support from the participant.

PART B—COMPULSORY CONTRIBUTIONS

[SEC. 811. Five per centum of the basic salary received by each participant shall be contributed to the Fund, and the Secretary of the Treasury is directed to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the Fund for the payment of annuities, cash benefits, refunds, and allowances.]

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SEC. 811. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the Fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Department of State in the Treasury of the United States to the credit of the Fund.

(b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

PART C—COMPUTATION OF ANNUITIES

SEC. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the Fund, multiplied by the number of years [service], not exceeding thirty-five [years.], *of service credit obtained in accordance with the provisions of sections 851, 852, and 853.* However, the highest five years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any [Foreign Service officer] *participant* who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

(b) [At the time of his retirement, a participant, if the husband of a wife to whom he has been married for at least three years or who is the mother of issue by such marriage, may elect to receive a reduced annuity for himself and to provide for an annuity payable to his widow, commencing on the date following his death and continuing as long as she may live. The annuity payable to his widow shall in no case exceed 25 per centum of his average basic salary as computed in accordance with subsection (a) of this section, or 66⅔ per centum of his reduced annuity. If the age of the participant is less than the age of the wife or exceeds her age by not more than eight years, the annuity of the participant will be reduced by an amount equal to one-half of the annuity which he elects to have paid to his widow. If the age of the participant exceeds the age of the wife by more than eight years, the annuity of the participant will be reduced by an amount equal to one-half the annuity which he elects to have paid to his widow plus an additional reduction equal to 2 per centum of such widow's annuity for each year, or fraction thereof, that the difference in age exceeds eight. The participant may at his option also elect to have his annuity reduced by an additional 5 per centum of the amount which he elects to have paid to his widow, with a provision that, from and after the death of his wife, if the participant shall survive her the annuity payable to the participant

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shall be that amount which would have been payable if no option had been elected.] *At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of his annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by 2½ per centum of any amount up to $2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over $2,400 so specified.*

(c) [A participant who is not married at the time of his retirement or who is married to a wife who is not entitled to an annuity in accordance with the provisions of paragraph (b) of this section may elect to receive a reduced annuity for himself and to provide for an additional annuity payable after his death to a beneficiary whose name shall be notified in writing to the Secretary at the time of his retirement and who is acceptable to the Secretary. The annuity payments payable to such beneficiary shall be either equal to the deceased participant's reduced annuity payments or equal to 50 per centum of such reduced annuity payments and upon the death of the surviving beneficiary all payments shall cease and no further annuity payments shall be due or payable. The combined actuarial value of the two annuities on the date of retirement as determined by the Secretary of the Treasury shall be the same as the actuarial value of the annuity provided by paragraph (a) of this section. No such election of a reduced annuity payable to a beneficiary other than a child of the participznt shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. Annuity payments payable in accordance with the provisions of this section to a beneficiary who is a child of a participant shall cease when the beneficiary reaches the age of twenty-one years.]

(1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average salary divided by the number of children; (ii) $600; or (iii) $1,800 divided by the number of children.

(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 per centum of the annuitant's average salary divided by the number of children; (ii) $720; or (iii) $2,160 divided by the number of children.

(d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability,

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the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

(f) At the time of retirement an unmarried participant may elect to receive a reduced annuity and to provide for an annuity equal to 50 per centum of the reduced annuity payable after his or her death to a beneficiary whose name shall be designated in writing to the Secretary. The annuity payable to a participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring participant, but such total reduction shall not exceed 40 per centum. No such election of a reduced annuity payable to a beneficiary shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

RETIREMENT FOR DISABILITY OR INCAPACITY—PHYSICAL EXAMINATION—RECOVERY

SEC. 831. (a) [Any participant who, after serving for a total period of not less than five years, becomes totally disabled or incapacitated for useful and efficient service by reason of disease or injury incurred in the line of duty but not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary, be retired on an annuity computed as prescribed in section 821. If the disabled or incapacitated participant has had less than twenty years of service at the time he is retired, his annuity shall be computed on the assumption that he had had twenty years of service.] *Any participant who has five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with provisions of section 851 or 852(a)(2), and who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall upon his own application or upon order of the Secretary, be retired on an annuity computed as prescribed in section 821. If the disabled or incapacitated participant has less than twenty years of service credit toward his retirement under the System at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service, but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his class in the Service.*

(b) [In each case such disability shall be determined by the report of a duly qualified physician or surgeon, designated by the Secretary to conduct the examination. Uuless the disability is permanent, a like examination shall be made annually until the annuitant has reached the retirement age as defined in sections 631 and 632, and the payment of the annuity shall cease from the date of a medical examination showing recovery. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order

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to submit to examination, shall be paid out of the Fund.] *In each case, the participant shall be given a physical examination by one or more duly qualified physicians or surgeons designated by the Secretary to conduct examinations, and disability shall be determined by the Secretary on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his class in the Service. If the Secretary determines, on the basis of the advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Service within one year from the date his recovery is determined. Upon application the Secretary shall reinstate any such recovered disability annuitant in the class in which he was serving at time of retirement, or the Secretary may, taking into consideration the age, qualifications, and experience of such annuitant, and the present class of his contemporaries in the Service, appoint him or, in the case of an annuitant who is a former Foreign Service officer, recommend that the President appoint him, by and with the advice and consent of the Senate, to a class higher than the one in which he was serving prior to retirement. Payment of the annuity shall continue until a date six months after the date of the examination showing recovery or until the date of reinstatement or reappointment in the Service, whichever is earlier. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Fund. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.*

(c) [When the annuity is discontinued under this provision before the annuitant has received a sum equal to the total amount of his contributions, with accrued interest, the difference shall be paid to him or his legal representatives in the order of precedence prescribed in section 841.] *If a recovered disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Service, he shall be considered to have been separated within the meaning of section 834 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 841(a) except that he may elect voluntary retirement in accordance with the provisions of section 636 if he can qualify under its provisions.*

(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the Act of September 7, 1916, as amended, shall be so construed as to deny the right of any person to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other persons.

(e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump

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sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to the Department of Labor the amount representing such computed payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such Fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

DEATH IN SERVICE

SEC. 832. [In case a participant shall die without having established a valid claim for annuity, the total amount of his contributions with interest thereon at 4 per centum per annum, compounded on June 30 of each year, except as provided in section 881 and as hereinafter provided in this section, shall be paid to his legal representatives in the order of precedence given under section 841 upon the establishment of a valid claim therefor. If the deceased participant rendered at least five years of service, and is survived by a widow to whom he was married for at least three years, or who is the mother of issue by such marriage, such widow shall be paid an annuity equal to the annuity which she would have been entitled to receive if her husband had been retired on the date of his death and had elected to receive a reduced joint and survivorship annuity, computed as prescribed in section 821, providing the maximum annuity for his widow, unless prior to the date of his death he shall have elected, in lieu of such widow's annuity, and with the approval of the Secretary, to have his deductions returned with interest as provided in the first sentence of this section covering participants dying without having established a valid claim for annuity. If the deceased participant had had less than twenty years of service at the time of his death, the annuity payable to his widow shall be computed on the assumption that he had had twenty years of service.]

(a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the Fund, with interest at the rates prescribed in sections 841(a) and 881(a), shall be paid in the order of precedence shown in section 841(b).

(b) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a widow or a dependent widower, as defined in section 804, such widow or dependent widower shall be entitled to an annuity equal to 50 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a). The annuity of such widow or dependent widower shall commence on the date following

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death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

(c) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(1). The child's annuity shall begin and be terminated in accordance with the provisions of section 821(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

(d) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(2). The child's annuity shall begin and terminate in accordance with the provisions of section 821(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

(e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the System, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 821 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death and the mandatory retirement age applicable to his or her class in the Service. In all cases arising under paragraphs (b), (c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death.

RETIREMENT OF PERSONS WHO ARE PARTICIPANTS UNDER SECTION 803(A)(3)

SEC. 833. (a) Any person who is a participant, has at least twenty years of service to his credit, and has reached the age of fifty years, but it not a Foreign Service officer at the time he is retired in accordance with the provisions of law governing retirement in the position that he occupies, shall be entitled to an annuity computed as prescribed in section 821.

(b) Any person who is a participant in accordance with the provisions of section 803(a)(3) shall be entitled to voluntary retirement to the same extent and subject to the same conditions as a Foreign Service officer.

DISCONTINUED SERVICE RETIREMENT

SEC. 834. (a) Any participant who voluntarily separates from the Service after obtaining at least five years of service credit toward retire-

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ment under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a)(2), may, upon separation from the Service or at any time prior to becoming eligible for an annuity, elect to have his contributions to the Fund returned to him in accordance with the provisions of section 841, or to leave his contributions in the Fund and receive an annuity computed as prescribed in section 821, commencing at the age of sixty years.

(b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881.

SEC. 841. (a) [Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually up to the date of such separation, except as provided in section 881, shall be returned to him.] *Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1959; semiannually as of December 31, 1959; annually thereafter as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 881, shall be returned to him.*

(b) [In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest compounded annually at 4 per centum added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor:

[(1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;

[(2) If there be no such beneficiary, to the duly appointed executor or administrator of the estate of the retired participant;

[(3) If there be no such beneficiary, or executor or administrator, payment may be made to such person or persons as may appear in the judgment of the Secretary to be legally entitled thereto, and such payment shall be a ban to recovery by any other person.]

In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest at 4 per centum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon

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the establishment of a valid claim therefor and such payment shall be a ban to recovery by any other person:

(1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;

(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

(3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;

(4) If none of the above, to the parents of such participant or the survivor of them;

(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

(6) If none of the above, to other next of kin of such participant as may be determined by the Secretary in his judgment to be legally entitled thereto.

(c) No payment shall be made pursuant to paragraph (b)[(3)](*6*) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant.

SEC. 851. [For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as Foreign Service officer, or, if appointed prior to July 1, 1924, as diplomatic secretary, consul general, consul, vice consul, deputy consul, consular assistant, consular agent, commercial agent, interpreter, or student interpreter, and shall include periods of service at different times as either a diplomatic or consular officer, or while on assignment to the Department, or while on special duty or service in another department or establishment of the Government, or while on any assignment in accordance with the provisions of part II of title V, but all periods of separation from the Service and so much of any leaves of absence as may exceed six months in the aggregate in any calendar year shall be excluded, except sick leaves of absence for illness or injury incurred in the line of duty, with or without pay, and leaves of absences granted participants while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States.] *For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as a Foreign Service officer, or, if appointed prior to July 1, 1924, as an officer or employee of the Diplomatic or Consular Service of the United States, or from the date he becomes a participant under the provisions of this Act, as amended, but all periods of separation from the Service and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.*

SEC. 852. (a) A participant may, subject to the provisions of this section, include in his period of service—

(1) *civilian* service [performed as a civilian officer or employee of the] *in the executive, judicial, and legislative branches of the Federal* Government *and in the District of Columbia government*, prior to becoming a participant; and

(2) active *and honorable* military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

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(b) [A person may obtain credit for prior service by making a special contribution to the Fund equal to 5 per centum of his annual salary for each year of service for which credit is sought subsequent to July 1, 1924, with interest thereon to date of payment compounded annually at 4 per centum, except that no special contributions shall be required for periods of active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States prior to becoming a participant. Any such participant may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments during the continuance of his service.] *A person may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the Fund equal to 5 per centum of his basic annual salary for each year of service for which credit is sought subsequent to July 1, 1924, and prior to the effective date of the Foreign Service Act Amendments of 1959, and at 6½ per centum thereafter with interest compounded annually at 4 per centum per annum to the date of payment. Any such person may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments.*

(c) [Nothing in this Act shall be construed so as to affect in any manner a participant's right to retired pay, pension, or compensation in addition to the annuities herein provided, but no participant may obtain prior service credit toward an annuity under the Foreign Service Retirement and Disability System for any period of service, whether in a civilian or military capacity, on the basis of which he is receiving or will in the future be entitled to receive any annuity, pension, or other retirement or disability payment or allowance.]

(1) If any officer or employee under some other Government retirement system, becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by section 811 of this Act for contributions to the Fund.

(3) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service subsequent to July 1, 1924, for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the Fund in accordance with the provisions of paragraph (b) of this section.

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(d) No participant may obtain prior civilian service credit toward retirement under the System for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annunity under another retirement system covering civilian personnel of the Government.

(e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Secretary prior to retirement or separation from the Service. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during an enlistment or employment as provided in Veterans Regulation Numbered 1(a), part I, paragraph I, or is awarded under Chapter 67 of Title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the Fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section.

RECOMPUTATION OF ANNUITIES OF CERTAIN FORMER PARTICIPANTS

SEC. 855. The annuity of each former participant under the System, who retired prior to July 28, 1956 and who at the time of his retirement had creditable service in excess of thirty years, shall be recomputed on the basis of actual years of creditable service not in excess of thirty-five years. Service which was not creditable under the System on the date a former participant retired, shall not be included as creditable service for the purpose of this recomputation. The annuities payable to such persons shall, when recomputed, be paid at the rates so determined, but no such recomputation or any other action taken pursuant to this section shall operate to reduce the rate of the annuity any such person is entitled to receive under the System.

EXTRA SERVICE CREDIT FOR SERVICE AT UNHEALTHFUL POSTS

SEC. 853. The President may from time to time establish a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty subsequent to January 1, 1900, at such posts inclusive of regular leaves of absence, of participants thereafter retired, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purpose of retirement, fractional months being considered as full months in computing such service, but no such extra credit for service at such unhealthful posts shall be credited to any participant who shall have been paid a salary differential in accordance with section 443, as amended, for such service performed subsequent to the date of enactment of the Foreign Service Act Amendments of 1955.

CREDIT FOR SERVICE WHILE ON MILITARY LEAVE

SEC. 854. Contributions shall not be required covering periods of leave of absence from the Service granted a participant while per-

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forming active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States.

PART G—MONEYS

ESTIMATE OF APPROPRIATIONS NEEDED

SEC. 861. The Secretary of the Treasury shall prepare the estimates of the annual appropriations required to be made to the Fund, and shall make actuarial valuations of such funds at intervals of five years, or oftener if deemed necessary by him. The Secretary of State may expend from money to the credit of the Fund an amount not exceeding $5,000 per annum for the incidental expenses necessary in administering the provisions of this title, including actuarial advice.

ANNUAL REPORT TO CONGRESS

SEC. 862. The Secretary shall submit annually to the President and to the Congress a comparative report showing the condition of the Fund and estimates of appropriations necessary to continue this title in full force.

INVESTMENT OF MONEYS IN THE FUND

SEC. 863. The Secretary of the Treasury shall invest from time to time in interest-bearing securities of the United States such portions of the Fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such Fund.

ATTACHMENT OF MONEYS

SEC. 864. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 634(c).

PART H—[OFFICERS REINSTATED IN THE SERVICE] *ANNUITANTS RECALLED, REINSTATED OR REAPPOINTED IN THE SERVICE OR REEMPLOYED IN THE GOVERNMENT*

RECALL

SEC. 871. [A Foreign Service officer, reinstated in the Service in accordance with the provisions of section 520(b) shall, while so serving, be entitled in lieu of his retirement allowance to the full pay of the class in which he is temporarily serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. If the annuity he was receiving prior to his reinstatement in the Service was based on less than thirty-five years of service credit, the amount of his annuity when he reverts to the retired list shall be recomputed on the basis of his total service credit.] *Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) or reinstated or reappointed in accordance with the provisions of section 831(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the class in which he*

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is serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. The amount of his annuity when he reverts to his retired status shall be recomputed in accordance with the provisions of section 821.

REEMPLOYMENT

Sec. 872. (a) Notwithstanding any other provision of law, any officer or employee of the Service, who has retired under this Act, as amended, and is receiving an annuity pursuant thereto, and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis, shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act, as amended, which when combined with such salary does not exceed during any calendar year the highest basic salary such officer or employee was entitled to receive under sections 412 or 415 of the Act, as amended, on the date of his retirement from the Service. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto and shall cause to be paid, by transfer or otherwise, to the Department of State funds necessary to cover gross salary, employer contributions, and gross lump sum leave payment relating to the employment of the reemployed officer or employee. The Department of State shall make to and on behalf of the reemployed officer or employee payments to which he is entitled under the provisions of paragraph (a) of this section, and shall make those withholding and deductions authorized and required by law.

(c) In the event of any overpayment under this section the Secretary of State is authorized to withhold the amount of such overpayment from the salary payable to such reemployed officer or employee or from his annuity.

SEC. 881. (a) Any participant may, at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded [on June 30 of each year, shall, at the date of his retirement and at his election, be—] *annually at the end of each fiscal year through June 30, 1959; semiannually as of December 31, 1959; annually thereafter as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period, shall, at the date of his retirement and at his election, be—*

(1) returned to him in a lumpsum; or

(2) used to purchase an additional life annuity; or

(3) used to purchase an additional life annuity for himself and to provide for a cash payment on his death to a beneficiary whose name shall be notified in writing to the Secretary by the participant; or

(4) used to purchase an additional life annuity for himself and a life annuity commencing on his death payable to a beneficiary whose name shall be notified in writing to the Secretary by the

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participant with a guaranteed return to the beneficiary or his legal representative of an amount equal to the cash payment referred to in paragraph 3.

(b) The benefits provided by subparagraphs 2, 3, or 4 of paragraph (a) of this section shall be actuarially equivalent in value to the payment provided for by paragraph (a)(1) of this section and shall be calculated upon such tables of mortality as may be from time to time prescribed for this purpose by the Secretary of the Treasury.

(c) In case a participant shall become separated from the Service for any reason except retirement on an annuity, the amount of any additional deposits with interest at 3 per centum per annum, compounded [annually] *as is provided in paragraph (a) of this section,* made by him under the provisions of this paragraph shall be refunded in the manner provided in section 841 for the return of contributions and interest in the case of death or [withdrawal from active service] *separation from the service.*

(d) Any benefits payable to an officer or to his beneficiary in respect to the additional deposits provided under this paragraph shall be in addition to the benefits otherwise provided under this title.

TITLE IX—ALLOWANCES AND BENEFITS

PART A—ALLOWANCES AND SPECIAL ALLOTMENTS

QUARTERS, COST OF LIVING, AND REPRESENTATION ALLOWANCES

SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States—

(1) allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred, by an officer or employee of the Service and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

(2) cost-of-living allowances, whenever the Secretary shall determine—

(i) that the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Service at such post to carry on his work efficiently;

(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Service incident to the establishment of his residence at any post of assignment abroad or at a post of assignment in the continental United States between assignments to posts abroad;

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(iii) that an allowance is necessary to assist an officer or employee of the Service who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

(iv) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educationsl services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911(9);

(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Service.

ALLOTMENT FOR OFFICIAL RESIDENCE OF CHIEF AMERICAN REPRESENTATIVE

SEC. 902. The Secretary may, under such regulations as he may prescribe, make an allotment of funds to any post to defray the unusual expenses incident to the operation and maintenance of official residences suitable for principal representatives of the United States at that post.

ACCOUNTING FOR ALLOWANCES

SEC. 903. All such allowances and allotments shall be accounted for to the Secretary in such manner and under such rules and regulations as the President may prescribe. The Secretary shall report all such expenditures annually to the Congress with the budget estimates of the Department.

PART B—TRAVEL AND RELATED EXPENSES

GENERAL PROVISIONS

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay—

(1) the travel expenses of officers and employees of the Service, included expenses incurred while traveling pursuant to orders issued by the Secretary in accordance with the provisions of section 933 with regard to the granting of home leave;

(2) the travel expenses of the members of the family of an officer or employee of the Service when proceeding to or returning from his post of duty; accompanying him on authorized home

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leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(3) the cost of transporting the furniture and household and personal effects of an officer or employee of the Service to his successive posts of duty and, on the termination of his services, to the place where he will reside;

(4) the cost of storing the furniture and household and personal effects of an officer or employee of the Service who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;

(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Service on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;

(6) the travel expenses of the members of the family and the cost of transporting the personal effects and automobile of an officer or employee of the Service, whenever the travel of such officer or employee is occasioned by changes in the seat of the government whose capital is his post;

(7) the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Service and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned;

(8) the cost of preparing and transporting to their former homes in the continental United States or to a place not more distant, the remains of an officer or employee of the Service who is a citizen of the United States and of the members of his family who may die abroad or while in travel status;

(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States posts of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education.

LOAN OF HOUSEHOLD *FURNISHINGS AND* EQUIPMENT

SEC. 912. The Secretary may, if he shall find it in the interests of the Government to do so as a means of eliminating transportation costs, provide officers and employees of the Service with *basic* household *furnishings and* equipment for use on a loan basis in personally owned or leased residences.

TRANSPORTATION OF [AUTOMOBILES] *MOTOR VEHICLES*

SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the

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Service, a privately owned [automobile] *motor vehicle or replacement thereof* in any case where he shall determine that water, rail, or air transportation of the [automobile] *motor vehicle or replacement thereof* is necessary or expedient for any part or of all the distance between points of origin and destination.

PART C—COMMISSARY SERVICE

SEC. 921. (a) The Secretary may, under such regulations as he may prescribe, establish and maintain emergency commissary or mess service in such places abroad where, in his judgment, such services are necessary temporarily to insure the effective and efficient performance of the duties and responsibilities of the Service, such services to be available to the officers and employees of all Government agencies located in any such places abroad. Reimbursements incident to the maintenance and operation of commissary or mess service shall be at not less than cost as determined by the Secretary and shall be used as working funds: *Provided,* That an amount equal to the amount expended for such services shall be covered into the Treasury as miscellaneous receipts.

(b) The Secretary, under such regulations as he may prescribe, may authorize and assist in the establishment, maintenance, and operation, by officers and employees of the Service, of non-Government-operated commissary and mess services and recreation facilities at posts abroad, including the furnishing of space, utilities, and properties owned or leased by the United States for use by its diplomatic and consular missions. The provisions of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292–300), may be utilized by the Secretary in providing such assistance. Commissary or mess services and recreation facilities established pursuant to this subsection shall be made available, insofar as practicable, to officers and employees of other Government agencies and their dependents who are stationed abroad. Such services or facilities shall not be established in localities where another United States agency operates similar services or facilities unless the Secretary determines that such additional services or facilities are necessary.

(c) Notwithstanding the last paragraph under the heading "Subsistence Department" in the Act of March 3, 1911 (10 U.S.C. 1253), or the provisions of any other law, charges at any post abroad by a commissary or mess service or recreation facility authorized or assisted under this section shall be at the same rate for all civilian personnel of the Government serviced thereby, and all charges for supplies furnished to such a service or facility abroad by any Government agency shall be at the same rate as that charged by the furnishing agency to its civilian commissary or mess services or recreation facilities.

(d) Notwithstanding the provisions of section 5 of the Act of July 16, 1914, as amended (5 U.S.C. 78) the Secretary may authorize any principal officer to approve the use of Government-owned vehicles located at his post for transportation of United States Government employees who are American citizens, and their dependents, to and from recreation facilities when public transportation is unsafe or is not available.

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PART D—LEAVE OF ABSENCE

ORDERING RETURN OF PERSONNEL TO UNITED STATES ON LEAVES OF ABSENCE

SEC. 933. (a) The Secretary shall order to the continental United States, its Territories and possessions, on statutory leave of absence every officer and employee of the Service who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.

(b) While in the continental United States, its Territories and possessions, on leave, the service of any officer or employee shall be available for such work or duties in the Department or elsewhere as the Secretary may prescribe, but the time of such work or duties shall not be counted as leave.

RESERVE OFFICERS ASSIGNED TO THE SERVICE

SEC. 934. (a) A Reserve officer, assigned to the Service from any Government agency shall, notwithstanding the provisions of any other law, be granted annual leave of absence and sick leave of absence in accordance with the provisions of part D of this title during the period of his assignment.

(b) Under such regulations as the President may prescribe, a person assigned to the Service as a Reserve officer from any Government agency may, notwithstanding the provisions of the Act of December 21, 1944 (58 Stat. 845; 5 U.S.C. 61b), transfer to the Service any annual or sick leave of absence standing to his credit at the time of his assignment to the Service. On his return to the agency by which he is regularly employed, he may transfer the aggregate of his accumulated and current annual and sick leave to that agency but the amount of leave so transferred shall not exceed the maximum which an officer or employee of the agency to which he is returning may have to his credit on the date of his return.

TRANSFER OF LEAVE OF ABSENCE

SEC. 935. Under such regulations as the President may prescribe an officer or employee of the Service who resigns from the Service in order to accept an appointment in any Government agency may transfer to such Government agency any annual or sick leave of absence standing to his credit at the time of his resignation from the Service and any officer or employee of any Government agency who resigns from such agency in order to accept an appointment to the Service may transfer to the Service any annual or sick leave of absence standing to his credit at the time of his resignation from the Government agency in which he was employed, but in no event shall the amount of annual or sick leave of absence so transferred exceed the maximum amount of the annual or sick leave of absence which may be accumulated in either the Service or the Government agency to which such person is appointed, as the case may be.

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APPLICATION OF ANNUAL AND SICK LEAVE ACT OF 1951

SEC. 936. The Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061 and the following), shall apply to career ministers and Foreign Service officers, who are not serving as chiefs of mission or who are not serving in a position in the Department which requires appointment by the President, by and with the advice and consent of the Senate, and to Foreign Service Reserve officers who are commissioned as diplomatic or consular officers, or both, in accordance with section 524 of the Foreign Service Act of 1946, as amended, notwithstanding the provisions of section 202(c)(1)(A) of the Annual and Sick Leave Act of 1951, as amended.

PART E—MEDICAL SERVICES

EXPENSES OF TREATMENT

SEC. 941. (a) In the event an officer or employee of the Service who is a citizen of the United States incurs an illness or injury while such person is located abroad, which requires hospitalization or similar treatment, and which is not the result of vicious habits, intemperance, or misconduct on his part, the Secretary may, in accordance with such regulations as he may prescribe, pay for the cost of treatment of such illness or injury.

(b) In the event a dependent of a United States citizen officer or employee of the Service who is stationed abroad, incurs an illness or injury while such dependent is located abroad, which requires hospitalization or similar treatment, and which is not the result of vicious habits, intemperance, or misconduct on his part, the Secretary may, in accordance with such regulations as he may prescribe, pay for that portion of the cost of treatment of each such illness or injury that exceeds $35 up to a maximum limitation of one hundred and twenty days of treatment for each such illness or injury, except that such maximum limitation shall not apply whenever the Secretary, on the basis of professional medical advice, shall determine that such illness or injury clearly is caused by the fact that such dependent is or has been located abroad.

(c) After sufficient experience in the operation of the medical protection plan authorized in subsections (a) and (b) of this section has been obtained, as determined by the Secretary, and if he considers that the benefits so authorized can be provided for as well and as cheaply in other ways, the Secretary may, under such regulations, and for such persons, locations, and conditions as he may deem appropriate, and within the limits prescribed in such subsections, contract for medical care pursuant to such arrangements, insurance, medical services, or health plans as he may deem appropriate.

TRANSPORTATION TO APPROVED HOSPITALS

SEC. 942. (a) In the event an officer or employee of the Service who is a citizen of the United States or his dependents incurs an illness

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or injury requiring hospitalization, not the result of vicious habits, intemperance or misconduct, while stationed abroad in a locality where there does not exist a suitable hospital or clinic, the Secretary may, in accordance with such regulations as he may prescribe, pay the travel expenses of such person by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933, as amended (60 Stat. 808, 5 U.S.C. 73b), to the nearest locality where a suitable hospital or clinic exists, and on his recovery pay for the travel expenses of his return from such hospital or clinic. If any such officer, employee, or dependent is too ill to travel unattended, the Secretary may also pay the round-trip travel expenses of an attendant or attendants.

(b) The Secretary may establish a first-aid station and provide for the services of a physician, a nurse, or other medical personnel at a post at which, in his opinion, sufficient personnel is employed to warrant such a station.

PHYSICAL EXAMINATIONS AND COSTS OF INOCULATIONS

SEC. 943. The Secretary shall, under such regulations as he may prescribe, provide for physical examinations for applicants for employment and for officers and employees of the Service who are citizens of the United States, and for their dependents, including examinations necessary to establish disability or incapacity in accordance with the provisions of section 831, and shall provide for administering inoculations or vaccinations to such officers and employees and their dependents.

TITLE X—MISCELLANEOUS

PART A—PROHIBITIONS

AGAINST UNIFORMS

SEC. 1001. An officer or employee of the Service holding a position of responsibility in the Service shall not wear any uniform except such as may be authorized by law or such as a military commander may require civilians to wear in a theater of military operations.

AGAINST ACCEPTING PRESENTS

SEC. 1002. An officer or employee of the Service shall not ask or, without the consent of the Congress, receive, for himself or any other person, any present, emolument, pecuniary favor, office, or title from any foreign government. A chief of mission or other principal officer may, however, under such regulations as the President may prescribe, accept gifts made to the United States, or to any political subdivision thereof by the government to which he is accredited or from which he holds an exequatur.

AGAINST ENGAGING IN BUSINESS ABROAD

SEC. 1003. An officer or employee of the Service shall not, while holding office, transact or be interested in any business or engage for profit in any profession in the country or countries to which he is assigned abroad in his own name or in the name or through the agency of any other person, except as authorized by the Secretary.

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AGAINST CORRESPONDENCE ON AFFAIRS OF FOREIGN GOVERNMENTS

SEC. 1004. (a) An officer or employee of the Service shall not correspond in regard to the public affairs of any foreign government except with the proper officers of the United States, except as authorized by the Secretary.

(b) An officer or employee of the Service shall not recommend any person for employment in any position of trust or profit under the government of the country to which he is detailed or assigned, except as authorized by the Secretary.

AGAINST POLITICAL, RACIAL, RELIGIOUS, OR COLOR DISCRIMINATION

SEC. 1005. In carrying out the provisions of this Act, no political test shall be required and none shall be taken into consideration, nor shall there be any discrimination against any person on account of race, creed, or color.

PART B—BONDS

SEC. 1011. Every secretary, consul general, consul, vice consul, Foreign Service officer, and Foreign Service Reserve officer, and, if required, any other officer or employee of the Service or of the Department before he enters upon the duties of his office shall give to the United States a bond in such form and in such penal sum as the Secretary shall prescribe, with such sureties as the Secretary shall approve, conditioned without division of penalty for the true and faithful performance of his duties, including (but not by way of limitation) certifying vouchers for payment, accounting for, paying over, and delivering up of all fees, moneys, goods, effects, books, records, papers, and other property that shall come to his hands or to the hands of any other person to his use as such officer or employee under any law now or hereafter enacted and for the true and faithful performance of all other duties now or hereafter lawfully imposed upon him as such officer or employee, and such bond shall be construed to be conditioned for the true and faithful performance of all official duties of whatever character now or hereafter lawfully imposed upon him, or by him assumed incident to his employment as an officer or employee of the Government. Notwithstanding any other provisions of law, upon approval of any bond given pursuant to this Act, the principal shall not be required to give another separate bond conditioned for the true and faithful performance of only a part of the duties for which the bond given pursuant to this Act is conditioned. The bond of an officer or employee of the Service shall be construed to be conditioned for the true and faithful performance of all acts of such officer incident to his office regardless of whether appointed or commissioned as diplomatic, consular, Foreign Service officer, or other officer of the Service. The bonds herein mentioned shall be deposited with the Secretary of the Treasury. Nothing herein contained shall be deemed to obviate the necessity of furnishing any bond which may be required pursuant to the provisions of the Subsistence Expense Act of 1926, as amended (44 Stat. 688; 47 Stat. 405; 56 Stat. 39; 5 U.S.C. 821–823, 827–833).

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PART C—GIFTS

SEC. 1021. (a) The Secretary may accept on behalf of the United States gifts made unconditionally by will or otherwise for the benefit of *the Department including* the Service or for the carrying out of any of its functions. Conditional gifts may be so accepted [if recommended by the Director General,] *at the discretion of the Secretary*, and the principal of and income from any such conditional gift shall be held, invested, reinvested, and used in accordance with its conditions, but no gift shall be accepted which is conditioned upon any expenditure not to be met therefrom or from the income thereof unless such expenditure has been approved by Act of Congress.

(b) Any unconditional gift of money accepted pursuant to the authority granted in paragraph (a) of this section, the net proceeds from the liquidation (pursuant to paragraph (c) or paragraph (d) of this section) of any other property so accepted, and the proceeds of insurance on any such gift property not used for its restoration, shall be deposited in the Treasury of the United States and are hereby appropriated and shall be held in trust by the Secretary of the Treasury for the benefit of *the Department including* the Service, and he may invest and reinvest such funds in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. Such gifts and the income from such investments shall be available for expenditure in the operation of *the Department including* the Service and the performance of its functions, subject to the same examination and audit as is provided for appropriations made for *the Department including* the Service by Congress.

(c) The evidences of any unconditional gift of intangible personal property, other than money, accepted pursuant to the authority granted in paragraph (a) of this section, shall be deposited with the Secretary of the Treasury and he, in his discretion, may hold them, or liquidate them except that they shall be liquidated upon the request of the Secretary whenever necessary to meet payments required in the operation of *the Department including* the Service or the performance of its functions. The proceeds and income from any such property held by the Secretary of the Treasury shall be available for expenditure as is provided in paragraph (b) of this section.

(d) The Secretary shall hold any real property or any tangible personal property accepted unconditionally pursuant to the authority granted in paragraph (a) of this section and he shall permit such property to be used for the operation of *the Department including* the Service and the performance of its functions or he may lease or hire such property, and may insure such property, and deposit the income thereof with the Secretary of the Treasury to be available for expenditure as provided in paragraph (b) of this section. The income from any such real property or tangible personal property shall be available for expenditure in the discretion of the Secretary for the maintenance, preservation, or repair and insurance of such property and any proceeds from insurance may be used to restore the property insured. Any such property when not required for the operation of *the Department including* the Service or the performance of its functions may be liquidated by the Secretary, and the proceeds thereof deposited with the Secretary of the Treasury, whenever in his judgment the purposes of the gifts will be served thereby.

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(e) For the purpose of Federal income, estate, and gift taxes, any gift, devise, or bequest accepted by the Secretary under authority of this Act shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

PART D—AUTHORIZATION TO RETAIN ATTORNEYS

SEC. 1031. The Secretary may, without regard to sections 189 and 365 of the Revised Statutes (5 U.S.C. 49 and 314), authorize a principal officer to procure legal services whenever such services are required for the protection of the interests of the Government or to enable an officer or employee of the Service to carry on his work efficiently.

PART F—EXEMPTION FROM TAXATION

SEC. 1051. Section 116 of the Internal Revenue Code, as amended (53 Stat. 48; 53 Stat. 575; 56 Stat. 842; 58 Stat. 46; 26 U.S.C. 116), relative to exclusions from gross income, is further amended by adding at the end thereof a new subsection to read as follows:

"(k) In the case of an officer or employee of the Foreign Service of the United States, amounts received by such officer or employee as allowances or otherwise under the terms of title IX of the Foreign Service Act of 1946."

PART G—INTERPRETATION OF THE ACT

LIBERAL-CONSTRUCTION CLAUSE

SEC. 1061. The provisions of this Act shall be construed liberally in order to effectuate its purpose.

PROVISIONS THAT MAY BE HELD INVALID

SEC. 1062. If any provision of this Act or the application of any such provision to any person or circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

HEADINGS OF TITLES, PARTS, AND SECTIONS

SEC. 1063. The headings descriptive of the various titles, parts, and sections of this Act are inserted for convenience only, and, in case of any conflict between any such heading and the substance of the title, part, or section to which it relates, the heading shall be disregarded.

PROVISIONS OF THE ACT OF JULY 3, 1946

SEC. 1064. Nothing in this Act shall be construed to affect the provisions of sections 1, 2, 3, and 4 of the Act of July 3, 1946 (Public Law 488, Seventy-ninth Congress). The "classified grades" within the meaning of that Act shall, from and after the effective date of this Act, be construed to mean classes 1 to 5, inclusive.

PART H—AUTHORIZATION FOR APPROPRIATIONS

SEC. 1071. Appropriations to carry out the purposes of this Act are hereby authorized.

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Public Law 885—84th Congress

Chapter 841—2d Session

S. 2569

AN ACT To provide certain basic authority for the Department of State

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State is authorized to establish, maintain, and operate passport and dispatch agencies.

SEC. 2. The Secretary of State, when funds are appropriated therefor, may—

(a) provide for printing and binding outside the continental United States without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111);

(b) pay the cost of transportation to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Secretary may prescribe;

(c) employ aliens, by contract, for services abroad;

(d) provide for official functions and courtesies;

(e) purchase uniforms; and

(f) pay tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries in connection with Department of State operations abroad.

SEC. 3. The Secretary of State is authorized to—

(a) obtain insurance on official motor vehicles operated by the Department of State in foreign countries, and pay the expenses incident thereto;

(b) rent tie lines and teletype equipment;

(c) provide ice and drinking water for United State Embassies and Consulates abroad;

(d) pay excise taxes on negotiable instruments which are negotiated by the Department of State abroad;

(e) pay the actual expenses of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in international educational exchange activities under the jurisdiction of the Department of State;

(f) pay expenses incident to the relief, protection, and burial of American seamen, and alien seamen from United States vessels in foreign countries and in the United States Territories and possessions;

(g) pay the expenses incurred in the acknowledgment of the services of officers and crews of foreign vessels and aircraft in rescuing American seamen, airmen, or citizens from shipwreck or other catastrophe abroad or at sea;

(h) rent or lease, for periods of less than ten years, such offices, buildings, grounds, and living quarters for the use of the Foreign Service abroad as he may deem necessary, and make payments therefor in advance; and

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(i) maintain, improve, and repair properties rented or leased pursuant to authority contained in subsection (h) of this section and furnish fuel, water, and utilities for such properties.

SEC. 4. The Secretary of State is authorized to—

(a) make expenditures, from such amounts as may be specifically appropriated therefor, for unforeseen emergencies arising in the diplomatic and consular service and, to the extent authorized in appropriation Acts, funds expended for such purposes may be accounted for in accordance with section 291 of the Revised Statutes (31 U.S.C. 107); and

(b) delegate to subordinate officials the authority vested in him by section 291 of the Revised Statutes pertaining to certification of expenditures.

SEC. 5. The Secretary of State is authorized to—

(a) provide for participation by the United States in international activities which arise from time to time in the conduct of foreign affairs for which provision has not been made by the terms of any treaty, convention, or special Act of Congress: *Provided*, That this subsection shall not be construed as granting authority to accept membership for the United States in any international organization, or to participate in the activities of any international organization for more than one year without approval by the Congress; and

(b) pay the expenses of participation in activities in which the United States participates by authority of subsection (a) of this section, including, but not limited to the following:

(1) Employment of aliens;

(2) Travel expenses without regard to the Standardized Government Travel Regulations and to the rates of per diem allowances in lieu of subsistence expenses under the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842);

(3) Travel expenses of persons serving without compensation in an advisory capacity while away from their homes or regular places of business not in excess of those authorized for regular officers and employees traveling in connection with said international activities; and

(4) Rental of quarters by contract or otherwise.

SEC. 6. The provisions of section 8 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287e), and regulations thereunder, applicable to expenses incurred pursuant to that Act, may be applicable to the obligation and expenditure of funds in connection with United States participation in the International Civil Aviation Organization.

SEC. 7. The exchange allowances or proceeds derived from the exchange or sale of passenger motor vehicles in possession of the Foreign Service abroad, in accordance with section 201(c) of the Act of June 30, 1949 (40 U.S.C. 481(c)), shall be available without fiscal year limitation for replacement of an equal number of such vehicles.

SEC. 8. The Secretary of State may, when authorized in an appropriation or other law, transfer to any department, agency, or independent establishment of the Government, with the consent of the head thereof, any funds appropriated to the Department of State, for direct expenditure by such department, agency, or independent establishment for the purposes for which the funds are appropriated.

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SEC. 9. The Secretary of State is authorized to enter into contracts in foreign countries involving expenditures from funds appropriated or otherwise made available to the Department of State, without regard to the provisions of section 3741 of the Revised Statutes (41 U.S.C. 22): *Provided*, That nothing in this section shall be construed to waive the provisions of section 431 of title 18 of the United States Code.

SEC. 10. Appropriated funds made available to the Department of State for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel shall be available for such expenses when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year.

SEC. 11. Notwithstanding the provisions of section 16(a) of the Act of August 2, 1946 (5 U.S.C. 78(c)), the Secretary of State may authorize any chief of diplomatic mission to approve the use of Government-owned vehicles *or taxicabs* in any foreign country for transportation of United States Government employees from their residence to the office and return when public transportation facilities *other than taxicabs* are unsafe or are not available.

SEC. 12. The Secretary of State, with the approval of the Bureau of the Budget, shall prescribe the maximum rates of per diem in lieu of subsistence (or of similar allowances therefor) payable while away from their own countries to foreign participants in any exchange of persons program, or in any program of furnishing technical information and assistance, under the jurisdiction of any Government agency, and said rates may be fixed without regard to any provision of law in limitation thereof.

SEC. 13. Allowances granted under section 901(1) of the Foreign Service Act of 1946 (22 U.S.C. 1131(1)), may include water, in addition to the utilities specified.

SEC. 14. Appropriations now or hereafter made available for allowances granted under the authority in part A of title IX of the Foreign Service Act of 1946, as amended (22 U.S.C 1131), including an allowance for water as authorized in section 13 of this Act shall be available for the payment of such allowances in advance.

SEC. 15. Appropriations to carry out the purposes of this Act are hereby authorized. When so provided in an appropriation law, an appropriation made to the Department of State may remain available until expended.

Approved August 1, 1956.

Paragraph 4 of section 104 of the Internal Revenue Code of 1954, as amended

§ 104. Compensation for injuries or sickness.

(a) IN GENERAL.—Except in the case of amounts attributable to (and not in excess of) deductions allowed under section 213 (relating to medical, etc., expenses) for any prior taxable year, gross income does not include—

(1) amounts received under workmen's compensation acts as compensation for personal injuries or sickness;

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(2) the amount of any damages received (whether by suit or agreement) on account of personal injuries or sickness;

(3) amounts received through accident or health insurance for personal injuries or sickness (other than amounts received by an employee, to the extent such amounts (A) are attributable to contributions by the employer which were not includible in the gross income of the employee, or (B) are paid by the employer); and

(4) amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country or in the Coast and Geodetic Survey or the Public Health Service[.], *or as a disability annuity payable under the provisions of section 831 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1081; 60 Stat. 1021).*

(b) Cross references.

Section 402(a) of the Internal Revenue Code of 1954, as amended

§ 402. Taxability of beneficiary of employees' trust.

(a) Taxability of beneficiary of exempt trust.

(1) General rule.

Except as provided in [paragraph (2)], *paragraphs (2) and (3)*, the amount actually distributed or made available to any distributee by any employees' trust described in section 401(a) which is exempt from tax under section 501(a) shall be taxable to him, in the year in which so distributed or made available, under section 72 (relating to annuities) except that section 72(e)(3) shall not apply. The amount actually distributed or made available to any distributee shall not include net unrealized appreciation in securities of the employer corporation attributable to the amount contributed by the employee. Such net unrealized appreciation and the resulting adjustments to basis of such securities shall be determined in accordance with regulations prescribed by the Secretary or his delegate.

(2) Capital gains treatment for certain distributions.

In the case of an employees' trust described in section 401(a), which is exempt from tax under section 501(a), if the total distributions payable with respect to any employee are paid to the distributee within 1 taxable year of the distributee on account of the employee's death or other separation from the service, or on account of the death of the employee after his separation from the service, the amount of such distribution, to the extent exceeding the amounts contributed by the employee (determined by applying section 72(f), which employee contributions shall be reduced by any amounts theretofore distributed to him which were not includible in gross income, shall be considered a gain from the sale or exchange of a capital asset held for more than 6 months. Where such total distributions include securities of the employer corporation, there shall be excluded from such excess the net unrealized appreciation attributable to that part of the total distributions which consists of the securities of the employer corporation so distributed. The amount of such net unrealized appreciation and the resulting adjustments to basis of the securities of the employer adjustments to basis of the securities of the employer corporation so distributed shall be determined in accordance with regulations prescribed by the Secretary or his delegate.

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(3) The amount includible under this subsection as the gross income of a nonresident alien individual with respect to a distribution made by the United States in respect of services performed by an employee of the United States shall not exceed an amount which bears the same ratio to the amount includible in gross income without regard to this paragraph as the aggregate compensation paid by the United States to such employee for such services and includible in gross income under this subtitle or prior income tax laws bears to the aggregate compensation paid by the United States to such individual whether or not includible in gross income.

[(3)] (4) Definitions.

For purposes of this subsection—

(A) The term "securities" means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form.

(B) The term "securities of the employer corporation" includes securities of a parent or subsidiary corporation (as defined in section 421(d) (2) and (3) of the employer corporation.

(C) The term "total distributions payable" means the balance to the credit of an employee which becomes payable to a distributee on account of the employee's death or other separation from the service, or on account of his death after separation from the service.

871. Tax on nonresident alien individuals.

Section 871(d) of the Internal Revenue Code of 1954, as amended

(d) [Doubling of tax.

For doubling of tax on citizens of certain foreign countries, see section 891.]

(d) Cross Reference.—

(1) For doubling of tax on citizens of certain foreign countries, see section 891.

(2) For taxability of amounts paid by the United States to certain nonresident alien employees or their beneficiaries, see section 402(a)(3).

Section 12 of the Act of June 26, 1884.

[No fees named in the tariff of consular fees prescribed by order of the President shall be charged or collected by consular officers for the official services to American vessels and seamen. Consular officers shall furnish the master of every such vessel with an itemized statement of such services performed on account of said vessel, with the fee so prescribed for each service, and make a detailed report to the Secretary of the Treasury of such services and fees, under such regulations as the Secretary of State may prescribe; and the Secretary of the Treasury shall allow consular officers who are paid in whole or in part by fees such compensation for said services as they would have received but for the above prohibition: *Provided*, That such services, in the opinion of the Secretary of the Treasury, have been necessarily rendered.] (June 26, 1884, ch. 121, § 12, 23 Stat. 56.)

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Section 1 of Chapter 223 of the Act of June 4, 1920, as Amended.

There shall be collected and paid into the Treasury of the United States quarterly a fee of $1 for executing each application for a passport and $9 for each passport issued to a citizen or person owing allegiance to or entitled to the protection of the United States: *Provided*, That nothing herein contained shall be construed to limit the right of the Secretary of State by regulation to authorize the retention by State officials of the fee of $1 for executing an application for a passport: *And provided further*, That no fee shall be collected for passports issued to officers or employees of the United States proceeding abroad in the discharge of their official duties, or to members of their immediate families, [or to seamen,] or to widows, children, parents, brothers, and sisters of American soldiers, sailors, or marines, buried abroad whose journey is undertaken for the purpose and with the intent of visiting the graves of such soldiers, sailors, or marines, which facts shall be made a part of the application for the passport. (June 4, 1920, ch. 223, § 1, 41 Stat. 750.)

Section 4 of the Foreign Service Buildings Act, 1926, as Amended.

SEC. 4. * * *

(a) For the purpose of carrying into effect the provisions of sections 292–294, 295, 296, 297, 299, and 300 of this title there is authorized to be appropriated an amount not exceeding $10,000,000, and the appropriations made pursuant to this authorization shall constitute a fund to be known as the Foreign Service Building Fund, to remain available until expended. Under this authorization not more than $2,000,000 shall be appropriated for any one year, but within the total authorization provided in said sections the Secretary of State, subject to the direction of the commission, may enter into contracts for the acquisition of the buildings and grounds authorized by said sections. In the case of the buildings and grounds authorized by sections 292–294, 295, 296, 297, 299, and 300 of this title, after the initial alterations, repairs, and furnishing have been completed, subsequent expenditures for such purposes may be made out of the appropriations authorized by said sections in amounts authorized by the Congress each fiscal year.

(b) For the purpose of carrying into effect the provisions of sections 292, 294, 295, 296, 297, 299, and 300 of this title there is authorized to be appropriated, in addition to amounts previously authorized, an amount not to exceed $90,000,000, which shall be available exclusively for payments representing the value, in whole or in part, of property or credits in accordance with the provisions of section 295b of this title. Sums appropriated pursuant to this authorization shall remain available until expended. (May 7, 1926, ch. 250, § 4, 44 Stat. 404; June 19, 1952, ch. 446, § 2, 66 Stat. 140.)

(c) For the purpose of carrying into effect the provisions of this Act there is hereby authorized to be appropriated, in addition to amounts previously authorized, an amount not to exceed $100,000,000, of which $50,000,000 shall be available exclusively for payments representing the value in whole or in part, of property or credits in accordance with the provisions of the Act of July 25, 1946 (60 Stat. 663). Sums appropriated pursuant to this authorization shall remain available until expended.

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